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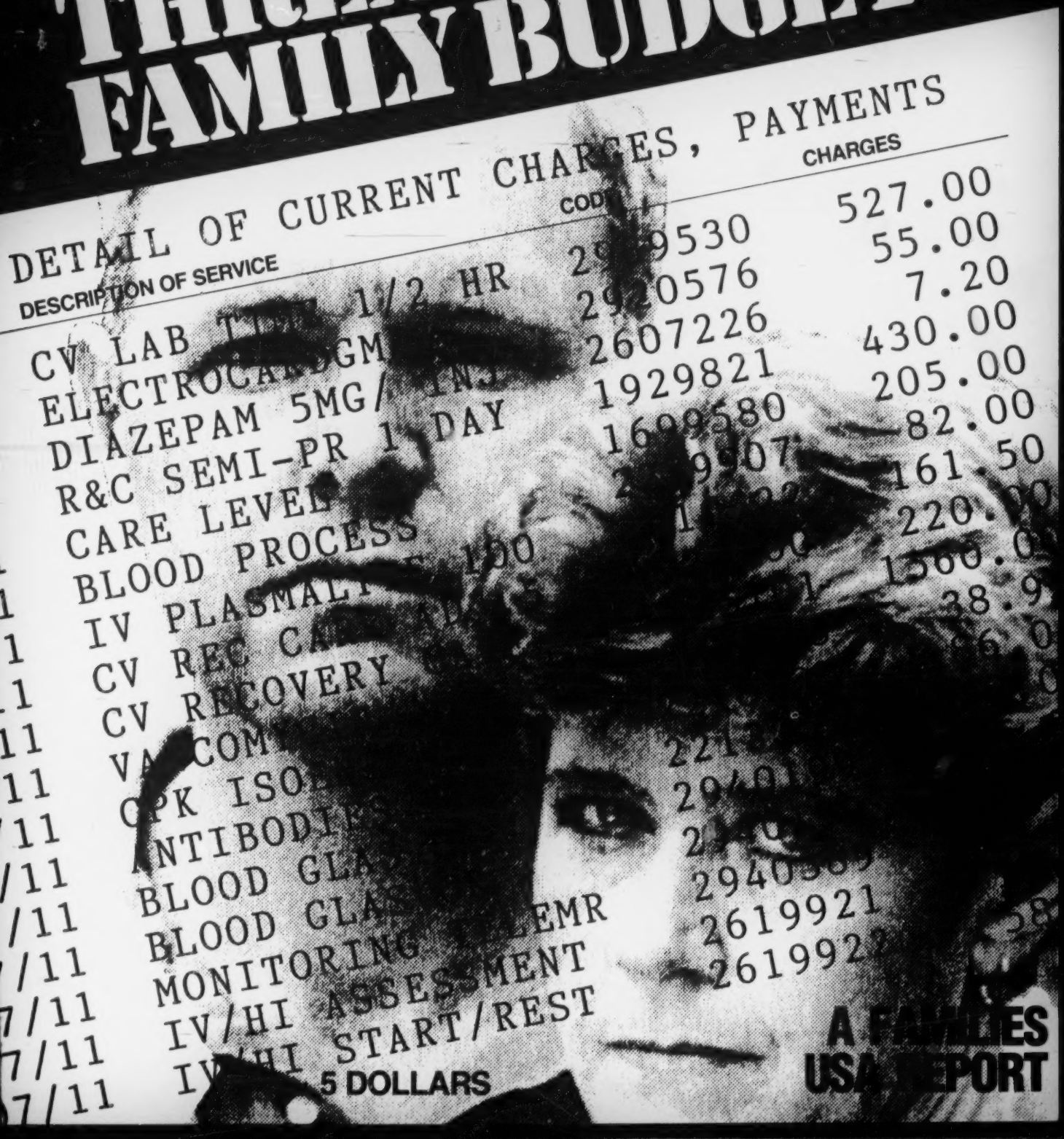
HEALTH SPENDING:

THE GROWING THREAT TO THE FAMILY BUDGET



Health Spending: The Growing Threat to the Family Budget

A Report By

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The cost of the American health care system is a growing threat to American families. As of 1991, the U.S. is spending an average of $6,535 on health care per family. By the year 2000, this is projected to be $13,911. Of the $6,535 per family health costs in 1991, approximately two-thirds (65.7%) is paid by families, and America's businesses pay the other one-third (34.3%).

This report analyzes, for the first time, the total burden of health care spending on American families and businesses, nationally and state-by-state, for the years 1980, 1991 and 2000. Also provided is data on the sources of payments by families and businesses.

Under the American health financing system, families and businesses pay for health care in a variety of ways. American families and businesses pay for health care directly through insurance premiums and out-of-pocket health payments (such as deductibles and copayments) and indirectly through payroll, income and other taxes that finance public health programs. It is therefore difficult for families and businesses to appreciate the magnitude of the health spending for which they are responsible. This report combines estimates of direct and indirect health expenditures to produce the first comprehensive picture of health care spending by families and businesses.[1]

These estimates understate the burden of health care costs on families since there is no attempt to determine how much of business's health expenditures are simply passed back to individuals through lower wages, higher prices or reduced payments to shareholders. These estimates also do not attempt to account for the cost to individuals of the business tax deduction for health benefit expenses. (See Technical Appendix for a complete description of the methodology used to develop these estimates.)

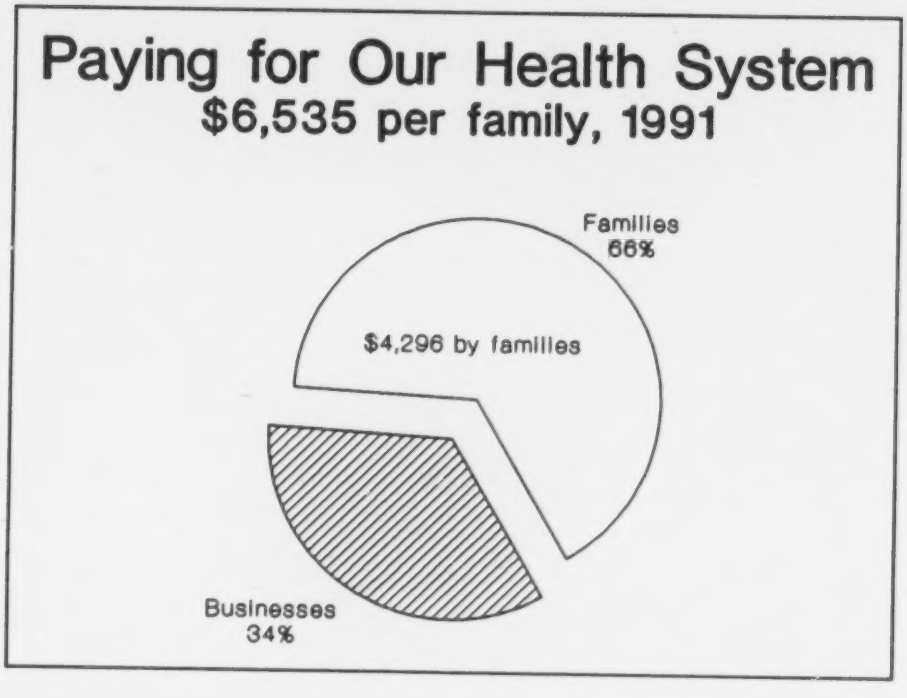
Key findings are:

- American families will pay $4,296 in 1991, on average, to support our health care system. *(See Table 1)*

- Average annual health payments by families amounted to 11.7% of average family income in 1991, up from 9% of average family income in 1980. *(See Table 3)* Based on current projections, average health payments will consume 16.4% of average family income by the year 2000.

- Average health payments by families rose from $1,742 in 1980 to $4,296 in 1991, an increase of 147%. By the year 2000, average health payments by families are expected to rise to $9,397, an increase of 439% over two decades. *(See Table 2)*

- Businesses are currently spending $237.6 billion per year on health costs, up 221% from $74.1 billion in 1980. By the year 2000, business payments for health care are projected to rise to $511.4 billion, an increase of 590% over two decades. Similarly, aggregate health spending by families rose from $155.5 billion in 1980 to $456.1 billion in 1991, and is expected to rise to almost $1.1 trillion in 2000, an increase of 585% over two decades. *(See Table 7)*



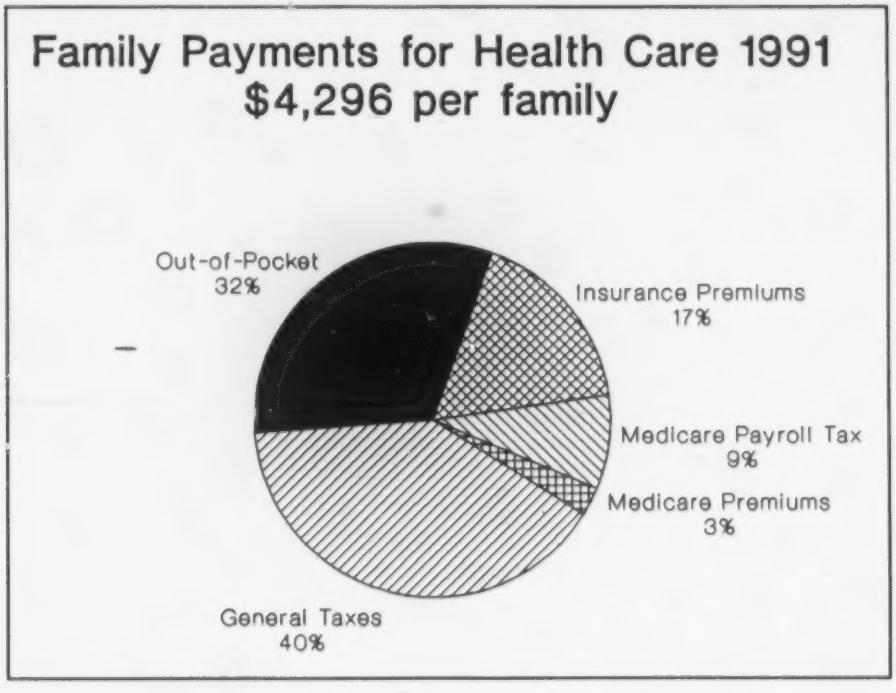
THE BURDEN ON FAMILIES

American families are paying the lion's share of our national health care bill. The magnitude of this burden is often unrecognized, since families pay for health care out of many pockets and since employers pay a high percentage of health insurance premiums.

- Families in the following states are paying the most for health care: New York ($5,585 on average per family); Connecticut ($5,421); Massachusetts ($5,321); Rhode Island ($4,914); New Jersey ($4,863); Illinois ($4,670); Hawaii ($4,596); Michigan ($4,569); Minnesota ($4,568); and Maryland ($4,484).

- In the following states, families are paying over 70% of the total health care payments made in the state: Virginia (73.8%); Oklahoma (73.1%); Arkansas (72.8%); Alabama (72.5%); Maryland (72.5%); Mississippi (72.4%); South Carolina (72.3%); Georgia (71.8%); North Carolina (71.2%); District of Columbia (71%); Florida (70.8%); and Kentucky (70.7%).

Families pay the largest portion of their health care spending through general taxes, as is illustrated by the pie chart below. The next largest portion is paid directly out-of-pocket. Families also pay for health care through private insurance premiums; through Medicare payroll taxes; and through Medicare premiums for Part B. (See Tables 4a-c.)



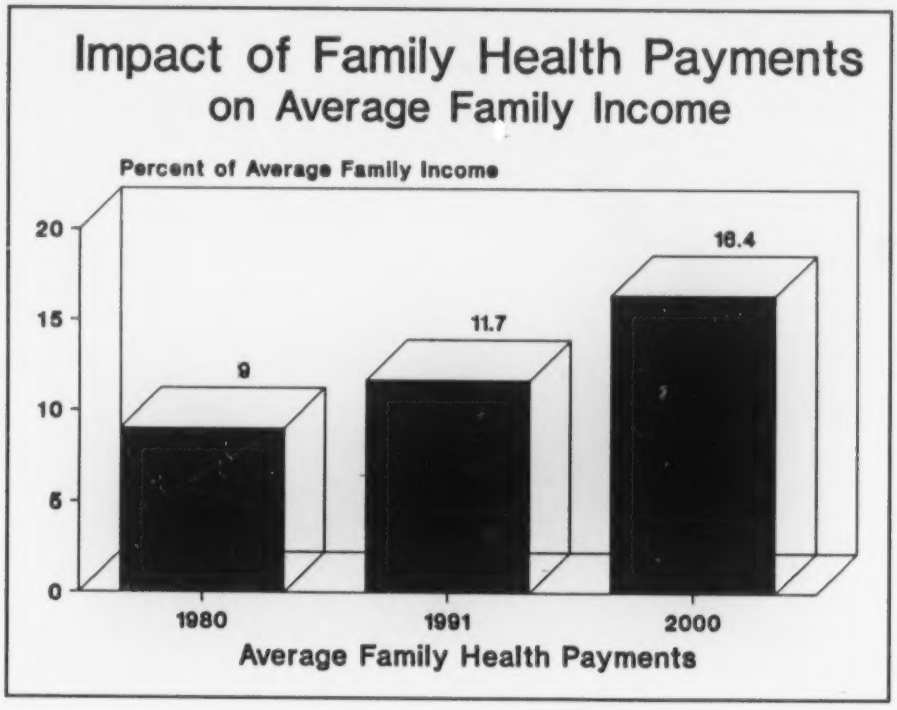
Health insurance premiums, for private insurance and for Medicare, are the component of family health spending that increased the most from 1980 to 1991. Payments for Medicare premiums increased 229% and payments for private insurance increased by 185%.

In recent years, even the share of employer-sponsored health insurance premiums paid by employees has increased. In 1980, employees paid 18% of the cost of employer-sponsored health insurance. By 1991, that percentage had increased to

23%. If this trend continues over the next decade, the employee share of employer-sponsored premiums will have increased to 26%.[2] Since health insurance premiums increased at double-digit rates over the decade, families are not only paying an increasing percentage of insurance premiums, but an increasing percentage of a rapidly increasing amount.

Health cost increases have far outpaced increases in family income since 1980. Average family income has increased 88% since 1980, while average family spending for health care has increased 147%. In 1980, average family health spending amounted to 9% of average family income. By 1991, average family health spending amounted to 11.7% of average family income, a 30% increase.[3] If current trends continue, average family health spending could consume 16.4% of average family income by the year 2000.[4]

In the following states, average family health payments have the greatest impact on average family income: North Dakota (14.1% of average family income); Alabama (14%); New York (13.9%); South Dakota (13.1%); Rhode Island (13%); Nebraska (12.9%); Missouri (12.8%); Iowa (12.7%); Kansas (12.7%); Minnesota (12.6%); District of Columbia (12.6%); and Louisiana (12.6%).

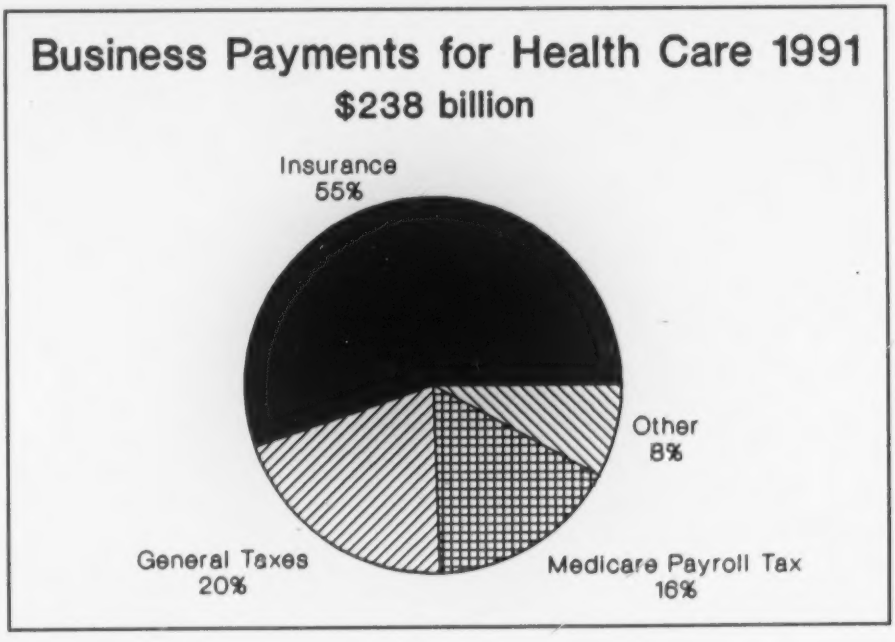


The amount of aggregate U.S. health spending by families, two-thirds of health spending in 1991, increased even faster from 1980 to 1991 than average health spending per family. Total payments by families increased 193% between 1980 and 1991, and by the year 2000 are projected to have increased by 585% since 1980. (See Table 7.)

THE BURDEN ON BUSINESS

Businesses pay the other one-third of our nation's health care bill. More significantly, businesses pay the preponderance of health insurance costs in this country—67% of all private insurance costs in 1991. Over half of business spending on health care goes directly for insurance, as illustrated by the pie chart below. Since health insurance increases averaged in the double digits over the decade, insurance costs have become a greater and greater financial liability for business.[5] Business payments for health insurance increased 204% from 1980 to 1991. (See Tables 5a–c.)

In addition to health insurance costs, businesses pay significant amounts for health care through corporate taxes and through the Medicare payroll tax. General taxes paid by businesses for health care increased 267% from 1980 to 1991, and business payments of Medicare payroll taxes increased 234%.



Business health spending for premiums, Medicare payroll taxes, workers' compensation, temporary disability and employee health programs equalled the amount corporations made in after-tax profits in 1989. (If the general taxes paid by businesses for public health programs were included, the level of business spending on health would exceed the level of corporate after-tax profits.) By contrast, 1980 business health care spending equalled 44% of corporations' after-tax profits.[6] This indicates the magnitude of the liability health spending has become for American businesses.

This liability for business is also a liability for American workers. Business health spending (excluding general taxes) increased for private sector workers from 5.1% of total compensation in 1980 to 7% in 1989. Health spending as a percentage of fringe benefits in the private sector increased from 33% in 1980 to 46.1% in 1989.[7] The increasing amount of employer resources consumed by health benefits has meant that these employer resources have not been available for wage increases or to help workers with other benefits.

RESPONSES

American families and American businesses are being priced out of health insurance. The number of uninsured Americans rose from 24.5 million in 1980 to 34 million in 1990.[8] Over this same period, the number of workers and their family members who get health insurance through their employers declined.[9]

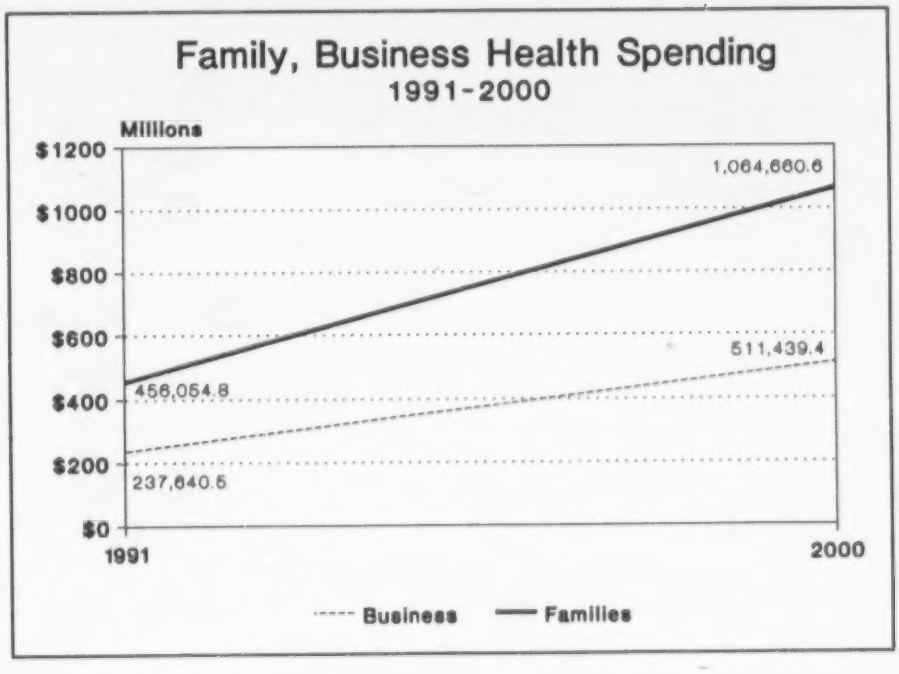
Those Americans who have health insurance must increasingly face the reality that their insurance provides inadequate protection, and millions more are underinsured. As employers and insurers attempt to control their costs by increasing deductibles, increasing employee responsibility for premiums, instituting lifetime maximum benefit levels, instituting limits on covered services and limiting reimbursement levels, the likelihood of being underinsured increases.

This increasing vulnerability of American families to health care costs is reflected in the results of a recent **New York Times/CBS Poll**. In the survey, 29% of Americans reported that they or a family member were without health insurance some time in the last year. Sixty-two percent of those polled said they were dissatisfied with the cost of health care; 48% of respondents in working households said their employer had cut health benefits or required employees to contribute more; 26% said that a member of their household had experienced "job lock"—taking one job rather than another mainly because of health benefits; and 20% reported their household had been seriously hurt by medical bills. Seventy-nine percent of those surveyed agreed that the health care system is heading toward a crisis because of rising costs.[10]

A recent survey of top officials in Fortune 500 companies likewise revealed deep apprehension about our health care system. Ninety-one percent of those surveyed agreed that fundamental changes or complete rebuilding of our health care system was

necessary. Sixty-two percent of those surveyed named costs first when asked to identify the most important problems in the health care system. Thirty-five percent of the business executives said health costs were a "top concern" compared to other costs of doing business for their company, and another 60% rated health costs as a "major concern." Only a small minority, 12.7%, of these business executives believed their companies would be able to control their health costs in the near future, while over half agreed that government intervention would be necessary to control health costs.[11]

The tables that follow document the growing threat of health spending to the budgets of American families and businesses—1980, 1991 and 2000. Families and businesses recognize the threat, as indicated by the survey results cited above. As health spending continues to escalate, the pressure for reform will continue to mount.



Endnotes

1. This report looks at health payments by families and businesses within a state. The state totals therefore differ slightly from estimates of health spending in a state, since federal revenues spent in a state may be more or less than the federal revenues raised in that state.

2. Estimates by Lewin/ICF. See Technical Appendix for details.

3. Estimates by Lewin/ICF. See Technical Appendix for details.

4. Estimate by Lewin/ICF.

5. Health insurance premiums increased 12% 1987-88, 24% 1988-89, and 14% 1989-90. See Cynthia B. Sullivan and Thomas Rice, "The Health Insurance Picture in 1990," *Health Affairs*, Vol.10, No. 2, Summer 1991, pp. 104-115; Jon Gabel, Steven DiCarlo, Steven Fink, and Gregory deLissovoy, "Employer-Sponsored Health Insurance in America," *Health Affairs*, Vol.8, No.2, Summer 1989, pp.116-128; and Jon Gabel, Cindy Jajich-Toth, Gregory deLissovoy, Thomas Rice, and Howard Cohen, "The Changing World of Group Health Insurance," *Health Affairs*, Summer 1988, Vol.7, No. 3, pp. 48-65. Data prior to 1987 provided by Lewin/ICF.

6. Katharine R. Levit and Cathy A. Cowan, "The burden of health care costs: Business, households and governments," *Health Care Financing Review*, Vol. 12, No. 2, Winter 1990, p.133. This analysis includes Medicare payroll taxes in business and household spending, but otherwise does not attempt to allocate government health spending to businesses or households.

7. Katharine R. Levit and Cathy A. Cowan, *Op. cit.*, pp. 133-134.

8. Estimate for 1980 by Lewin/ICF in Families USA Foundation, *Emergency, Rising Health Costs in America*, October 1990, and 1990 estimate by Jill D. Foley, *Uninsured in the United States: The Nonelderly Population without Health Insurance*, Washington, D.C., Employee Benefits Research Institute, 1991.

9. The Pepper Commission, The U.S. Bipartisan Commission on Comprehensive Health Care, *A Call for Action*, Final Report, September 1990, pp. 23-26.

10. "Health Benefits Found to Deter Job Switching," *New York Times*, September 26, 1991, pp. A1 and B12.

11. Joel C. Cantor, Nancy L. Barrant, Randolph A. Desonia, Alan B. Cohen, and Jeffrey C. Merrill, "Business Leaders' Views on American Health Care," *Health Affairs*, Vol. 10, No.1, Spring 1991, pp. 98-105.

TABLE 1

FAMILY* AND BUSINESS SPENDING FOR HEALTH CARE 1991**

State	State Rank in Average Health Payments by Families	Average Health Payments by Families	Average Business Health Payments Per Family	Total Health Spending Per Family (paid by both sources)
TOTAL		$4,298	$2,239	$6,535
ALABAMA	24	$4,064	$1,541	$5,604
ALASKA	34	$3,846	$3,910	$7,756
ARIZONA	45	$3,439	$1,882	$5,321
ARKANSAS	42	$3,480	$1,301	$4,781
CALIFORNIA	13	$4,433	$2,708	$7,141
COLORADO	28	$3,933	$2,141	$6,073
CONNECTICUT	2	$5,421	$3,890	$9,312
DELAWARE	14	$4,393	$2,181	$6,573
DISTRICT OF COLUMBIA	17	$4,300	$1,754	$6,054
FLORIDA	29	$3,932	$1,623	$5,556
GEORGIA	22	$4,159	$1,633	$5,792
HAWAII	7	$4,596	$2,594	$7,190
IDAHO	51	$3,005	$1,594	$4,599
ILLINOIS	6	$4,670	$2,700	$7,370
INDIANA	26	$3,972	$1,957	$5,930
IOWA	25	$4,026	$2,122	$6,148
KANSAS	11	$4,481	$2,477	$6,959
KENTUCKY	48	$3,206	$1,329	$4,535
LOUISIANA	35	$3,809	$1,868	$5,677
MAINE	27	$3,946	$2,322	$6,268
MARYLAND	10	$4,484	$1,697	$6,181
MASSACHUSETTS	3	$5,321	$3,164	$8,484
MICHIGAN	8	$4,569	$2,768	$7,337
MINNESOTA	9	$4,568	$2,684	$7,252
MISSISSIPPI	50	$3,009	$1,149	$4,158
MISSOURI	15	$4,362	$2,353	$6,715
MONTANA	49	$3,154	$1,755	$4,910
NEBRASKA	19	$4,268	$2,286	$6,554
NEVADA	31	$3,897	$2,393	$6,290
NEW HAMPSHIRE	33	$3,860	$2,701	$6,561
NEW JERSEY	5	$4,863	$2,722	$7,586
NEW MEXICO	47	$3,297	$1,518	$4,815
NEW YORK	1	$5,585	$2,625	$8,210
NORTH CAROLINA	40	$3,630	$1,471	$5,101
NORTH DAKOTA	21	$4,193	$2,335	$6,528
OHIO	12	$4,474	$2,531	$7,005
OKLAHOMA	36	$3,786	$1,393	$5,179
OREGON	30	$3,900	$2,146	$6,045
PENNSYLVANIA	18	$4,300	$2,524	$6,825
RHODE ISLAND	4	$4,914	$2,733	$7,647
SOUTH CAROLINA	46	$3,414	$1,308	$4,722
SOUTH DAKOTA	32	$3,863	$2,056	$5,919
TENNESSEE	41	$3,487	$2,152	$5,639
TEXAS	23	$4,095	$1,796	$5,891
UTAH	38	$3,682	$2,017	$5,699
VERMONT	39	$3,649	$1,949	$5,598
VIRGINIA	16	$4,358	$1,547	$5,906
WASHINGTON	37	$3,710	$2,117	$5,826
WEST VIRGINIA	44	$3,443	$1,053	$5,096
WISCONSIN	20	$4,245	$2,406	$6,651
WYOMING	43	$3,474	$1,810	$5,284

* Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

**Health payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost or private insurance. We have excluded from this presentation non-patient revenue, research and construction.

TABLE 2

AVERAGE HEALTH PAYMENTS* BY FAMILIES**

STATE	1980	1991	2000	% Increase 1980 - 1991	% Increase 1980 - 2000
TOTAL	$1,742	$4,296	$9,397	147%	439%
ALABAMA	$1,707	$4,064	$8,893	138%	421%
ALASKA	$1,590	$3,846	$7,260	142%	357%
ARIZONA	$1,308	$3,439	$7,222	163%	452%
ARKANSAS	$1,444	$3,480	$7,576	141%	425%
CALIFORNIA	$1,666	$4,433	$9,765	166%	486%
COLORADO	$1,658	$3,933	$8,586	137%	418%
CONNECTICUT	$2,015	$5,421	$12,100	169%	501%
DELAWARE	$1,913	$4,393	$9,055	130%	373%
DISTRICT OF COLUMBIA	$1,678	$4,300	$9,445	157%	464%
FLORIDA	$1,463	$3,932	$8,235	168%	463%
GEORGIA	$1,666	$4,159	$8,884	150%	433%
HAWAII	$1,829	$4,596	$9,988	151%	446%
IDAHO	$1,202	$3,005	$6,726	150%	459%
ILLINOIS	$2,002	$4,670	$10,423	133%	421%
INDIANA	$1,843	$3,972	$8,770	142%	434%
IOWA	$1,826	$4,026	$9,021	121%	394%
KANSAS	$1,801	$4,481	$9,837	149%	446%
KENTUCKY	$1,524	$3,206	$7,177	110%	371%
LOUISIANA	$1,671	$3,809	$8,511	128%	409%
MAINE	$1,487	$3,946	$8,640	165%	481%
MARYLAND	$2,049	$4,484	$9,878	119%	382%
MASSACHUSETTS	$2,062	$5,321	$11,934	158%	479%
MICHIGAN	$1,879	$4,569	$10,054	143%	435%
MINNESOTA	$1,920	$4,568	$9,864	138%	414%
MISSISSIPPI	$1,303	$3,009	$6,588	131%	406%
MISSOURI	$1,743	$4,382	$9,428	150%	441%
MONTANA	$1,345	$3,154	$7,150	135%	432%
NEBRASKA	$1,804	$4,268	$9,348	137%	418%
NEVADA	$1,511	$3,897	$8,394	158%	456%
NEW HAMPSHIRE	$1,390	$3,860	$8,050	178%	479%
NEW JERSEY	$1,940	$4,863	$10,752	151%	454%
NEW MEXICO	$1,209	$3,297	$7,109	173%	488%
NEW YORK	$2,159	$5,585	$12,690	159%	488%
NORTH CAROLINA	$1,521	$3,630	$7,794	139%	413%
NORTH DAKOTA	$1,795	$4,193	$9,229	134%	414%
OHIO	$1,845	$4,474	$9,899	142%	437%
OKLAHOMA	$1,614	$3,786	$8,364	134%	418%
OREGON	$1,418	$3,900	$8,772	175%	519%
PENNSYLVANIA	$1,749	$4,300	$9,571	146%	447%
RHODE ISLAND	$1,900	$4,914	$10,862	159%	472%
SOUTH CAROLINA	$1,376	$3,414	$7,474	148%	443%
SOUTH DAKOTA	$1,632	$3,663	$8,365	137%	413%
TENNESSEE	$1,473	$3,487	$7,401	137%	402%
TEXAS	$1,794	$4,095	$8,789	128%	390%
UTAH	$1,441	$3,682	$8,184	155%	468%
VERMONT	$1,329	$3,649	$7,974	175%	500%
VIRGINIA	$1,665	$4,358	$9,631	162%	478%
WASHINGTON	$1,489	$3,710	$8,361	149%	462%
WEST VIRGINIA	$1,592	$3,443	$7,706	116%	384%
WISCONSIN	$1,801	$4,245	$9,337	136%	419%
WYOMING	$1,385	$3,474	$7,945	151%	474%

* Health payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost or private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

TABLE 3

IMPACT OF HEALTH PAYMENTS* ON AVERAGE FAMILY** INCOME

STATE	1980			1991		
	Average Family Income	Average Health Payments by Families	%	Average Family Income	Average Health Payments by Families	%
TOTAL	$19,458	$1,742	9.0%	$36,646	$4,286	11.7%
ALABAMA	$16,277	$1,707	10.5%	$29,007	$4,064	14.0%
ALASKA	$25,591	$1,590	6.2%	$42,558	$3,846	9.0%
ARIZONA	$18,786	$1,308	7.0%	$34,632	$3,439	9.9%
ARKANSAS	$15,191	$1,444	9.5%	$28,301	$3,480	12.3%
CALIFORNIA	$20,524	$1,666	8.1%	$39,874	$4,433	11.1%
COLORADO	$21,348	$1,658	7.8%	$35,021	$3,933	11.2%
CONNECTICUT	$21,704	$2,015	9.3%	$49,906	$5,421	10.9%
DELAWARE	$20,817	$1,913	9.2%	$35,840	$4,393	12.3%
DISTRICT OF COLUMBIA	$17,085	$1,676	9.8%	$34,125	$4,300	12.6%
FLORIDA	$16,723	$1,463	8.7%	$33,138	$3,932	11.9%
GEORGIA	$19,648	$1,666	8.5%	$35,898	$4,159	11.7%
HAWAII	$22,281	$1,829	8.2%	$45,837	$4,596	10.0%
IDAHO	$16,580	$1,202	7.3%	$30,726	$3,005	9.8%
ILLINOIS	$21,681	$2,002	9.2%	$38,768	$4,670	12.0%
INDIANA	$17,455	$1,640	9.4%	$32,019	$3,972	12.4%
IOWA	$19,409	$1,826	9.4%	$31,690	$4,028	12.7%
KANSAS	$19,357	$1,801	9.3%	$35,272	$4,481	12.7%
KENTUCKY	$17,675	$1,524	8.6%	$29,529	$3,206	10.9%
LOUISIANA	$17,681	$1,671	9.5%	$30,298	$3,809	12.6%
MAINE	$16,608	$1,487	9.0%	$35,752	$3,946	11.0%
MARYLAND	$23,959	$2,049	8.6%	$41,663	$4,484	10.8%
MASSACHUSETTS	$20,586	$2,062	10.0%	$43,401	$5,321	12.3%
MICHIGAN	$20,029	$1,879	9.4%	$37,058	$4,569	12.3%
MINNESOTA	$19,172	$1,920	10.0%	$36,242	$4,568	12.6%
MISSISSIPPI	$15,070	$1,303	8.6%	$27,614	$3,009	10.9%
MISSOURI	$17,920	$1,743	9.7%	$34,027	$4,362	12.8%
MONTANA	$18,025	$1,345	7.5%	$29,289	$3,154	10.8%
NEBRASKA	$17,894	$1,804	10.1%	$32,980	$4,268	12.9%
NEVADA	$19,779	$1,511	7.6%	$33,497	$3,897	11.6%
NEW HAMPSHIRE	$20,269	$1,390	6.9%	$35,364	$3,860	10.9%
NEW JERSEY	$22,209	$1,940	8.7%	$47,150	$4,863	10.3%
NEW MEXICO	$17,632	$1,209	6.9%	$32,127	$3,297	10.3%
NEW YORK	$19,206	$2,159	11.2%	$40,204	$5,585	13.9%
NORTH CAROLINA	$18,368	$1,521	8.3%	$33,081	$3,630	11.0%
NORTH DAKOTA	$17,429	$1,795	10.3%	$29,702	$4,193	14.1%
OHIO	$20,101	$1,845	9.2%	$36,051	$4,474	12.4%
OKLAHOMA	$18,300	$1,614	8.8%	$32,793	$3,786	11.5%
OREGON	$18,932	$1,418	7.5%	$34,152	$3,900	11.4%
PENNSYLVANIA	$19,181	$1,749	9.1%	$37,045	$4,300	11.6%
RHODE ISLAND	$18,458	$1,900	10.3%	$37,688	$4,914	13.0%
SOUTH CAROLINA	$16,123	$1,376	8.5%	$33,140	$3,414	10.3%
SOUTH DAKOTA	$16,278	$1,632	10.0%	$29,497	$3,863	13.1%
TENNESSEE	$16,819	$1,473	8.8%	$30,900	$3,487	11.3%
TEXAS	$19,421	$1,794	9.2%	$33,737	$4,095	12.1%
UTAH	$20,048	$1,441	7.2%	$36,256	$3,682	10.2%
VERMONT	$17,163	$1,329	7.7%	$37,264	$3,649	9.8%
VIRGINIA	$19,898	$1,665	8.4%	$42,518	$4,358	10.3%
WASHINGTON	$19,341	$1,489	7.7%	$37,088	$3,710	10.0%
WEST VIRGINIA	$16,177	$1,592	9.8%	$28,091	$3,443	12.3%
WISCONSIN	$19,850	$1,801	9.2%	$34,839	$4,245	12.2%
WYOMING	$20,217	$1,385	6.8%	$35,936	$3,474	9.7%

* Health payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost or private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

TABLE 4A

HOW FAMILIES* PAID FOR HEALTH CARE** 1980

STATE	TOTAL FAMILY		OUT-OF POCKET		INSURANCE		MEDICARE PAYROLL TAX		MEDICARE PREMIUMS		GENERAL TAXES***	
	Per Family	%	Per Family	%	Per Family	%	Per Family	%	Per Family	%	Per Family	%
TOTAL	$1,742	100.0%	$654	37.6%	$259	14.9%	$132	7.6%	$34	1.9%	$664	38.1%
ALABAMA	$1,707	100.0%	$739	43.3%	$212	12.4%	$106	6.2%	$37	2.2%	$612	35.9%
ALASKA	$1,590	100.0%	$538	33.9%	$179	11.2%	$57	3.6%	$8	0.5%	$808	50.8%
ARIZONA	$1,308	100.0%	$463	35.4%	$160	12.2%	$103	7.9%	$30	2.3%	$552	42.2%
ARKANSAS	$1,444	100.0%	$822	43.0%	$166	11.5%	$98	6.8%	$43	3.0%	$516	35.7%
CALIFORNIA	$1,666	100.0%	$559	33.6%	$187	11.2%	$125	7.5%	$28	1.7%	$767	46.1%
COLORADO	$1,658	100.0%	$547	33.0%	$194	11.7%	$124	7.5%	$24	1.5%	$769	46.4%
CONNECTICUT	$2,015	100.0%	$773	38.4%	$351	17.4%	$161	8.0%	$35	1.7%	$695	34.5%
DELAWARE	$1,913	100.0%	$689	36.0%	$220	11.5%	$180	9.4%	$32	1.7%	$792	41.4%
DISTRICT OF COLUMBIA	$1,676	100.0%	$494	29.5%	$150	9.0%	$204	12.2%	$25	1.5%	$802	47.9%
FLORIDA	$1,463	100.0%	$597	40.8%	$172	11.7%	$92	6.3%	$43	2.9%	$559	38.2%
GEORGIA	$1,666	100.0%	$687	41.3%	$203	12.2%	$115	6.9%	$31	1.9%	$629	37.8%
HAWAII	$1,829	100.0%	$575	31.5%	$200	10.9%	$128	7.0%	$25	1.4%	$901	49.3%
IDAHO	$1,202	100.0%	$399	33.2%	$137	11.4%	$119	9.9%	$31	2.5%	$517	43.0%
ILLINOIS	$2,002	100.0%	$736	36.8%	$365	18.2%	$161	8.0%	$34	1.7%	$706	35.3%
INDIANA	$1,643	100.0%	$631	38.4%	$315	19.1%	$131	8.0%	$32	1.9%	$535	32.6%
IOWA	$1,626	100.0%	$683	37.4%	$351	19.3%	$128	7.0%	$41	2.2%	$622	34.1%
KANSAS	$1,601	100.0%	$672	37.3%	$351	19.5%	$124	6.9%	$38	2.1%	$615	34.2%
KENTUCKY	$1,524	100.0%	$657	43.1%	$207	13.6%	$99	6.5%	$38	2.5%	$524	34.3%
LOUISIANA	$1,671	100.0%	$695	41.6%	$209	12.5%	$116	6.9%	$29	1.7%	$622	37.2%
MAINE	$1,487	100.0%	$618	41.5%	$281	18.9%	$95	6.4%	$40	2.7%	$453	30.5%
MARYLAND	$2,049	100.0%	$769	37.5%	$253	12.3%	$132	6.5%	$29	1.4%	$867	42.3%
MASSACHUSETTS	$2,062	100.0%	$800	38.8%	$345	16.7%	$135	6.5%	$37	1.8%	$746	36.2%
MICHIGAN	$1,879	100.0%	$689	36.6%	$352	18.8%	$163	8.7%	$31	1.7%	$644	34.3%
MINNESOTA	$1,920	100.0%	$712	37.1%	$366	19.1%	$159	8.3%	$35	1.8%	$649	33.8%
MISSISSIPPI	$1,303	100.0%	$635	48.8%	$77	5.9%	$85	6.5%	$39	3.0%	$468	35.9%
MISSOURI	$1,743	100.0%	$696	39.9%	$349	20.0%	$129	7.4%	$39	2.2%	$530	30.4%
MONTANA	$1,345	100.0%	$461	34.3%	$153	11.4%	$103	7.7%	$32	2.4%	$596	44.3%
NEBRASKA	$1,804	100.0%	$706	39.2%	$351	19.4%	$127	7.1%	$39	2.1%	$581	32.2%
NEVADA	$1,511	100.0%	$507	33.5%	$177	11.7%	$102	6.8%	$21	1.4%	$704	46.6%
NEW HAMPSHIRE	$1,390	100.0%	$563	40.5%	$253	18.2%	$116	8.3%	$32	2.3%	$425	30.6%
NEW JERSEY	$1,940	100.0%	$664	34.2%	$313	16.1%	$157	8.1%	$39	2.0%	$768	39.6%
NEW MEXICO	$1,209	100.0%	$430	35.5%	$133	11.0%	$103	8.5%	$28	2.3%	$515	42.6%
NEW YORK	$2,159	100.0%	$740	34.3%	$326	15.1%	$175	8.1%	$37	1.7%	$881	40.8%
NORTH CAROLINA	$1,521	100.0%	$609	40.1%	$182	12.0%	$118	7.8%	$33	2.2%	$578	38.0%
NORTH DAKOTA	$1,795	100.0%	$736	41.0%	$375	20.9%	$113	6.3%	$38	2.1%	$533	29.7%
OHIO	$1,845	100.0%	$718	38.8%	$378	20.5%	$147	8.0%	$34	1.8%	$571	31.0%
OKLAHOMA	$1,614	100.0%	$632	39.1%	$186	11.5%	$117	7.2%	$33	2.2%	$644	39.9%
OREGON	$1,418	100.0%	$455	32.1%	$161	11.4%	$118	8.3%	$31	2.2%	$652	46.0%
PENNSYLVANIA	$1,749	100.0%	$696	39.8%	$318	18.2%	$138	7.9%	$39	2.2%	$558	31.9%
RHODE ISLAND	$1,900	100.0%	$732	38.5%	$348	18.3%	$132	7.0%	$41	2.1%	$648	34.1%
SOUTH CAROLINA	$1,376	100.0%	$526	38.2%	$140	10.2%	$106	7.7%	$30	2.2%	$574	41.7%
SOUTH DAKOTA	$1,632	100.0%	$712	43.6%	$337	20.6%	$105	6.4%	$40	2.5%	$439	26.9%
TENNESSEE	$1,473	100.0%	$727	49.3%	$221	15.0%	$123	8.4%	$36	2.4%	$367	24.9%
TEXAS	$1,794	100.0%	$710	39.6%	$201	11.2%	$133	7.4%	$28	1.6%	$722	40.2%
UTAH	$1,441	100.0%	$478	33.2%	$169	11.7%	$98	6.8%	$24	1.7%	$671	46.6%
VERMONT	$1,329	100.0%	$522	39.3%	$237	17.8%	$98	7.4%	$33	2.5%	$440	33.1%
VIRGINIA	$1,665	100.0%	$606	36.5%	$192	11.5%	$103	6.2%	$28	1.7%	$734	44.1%
WASHINGTON	$1,489	100.0%	$442	29.7%	$154	10.3%	$113	7.6%	$28	1.9%	$751	50.5%
WEST VIRGINIA	$1,592	100.0%	$696	43.7%	$206	13.0%	$102	6.4%	$41	2.5%	$547	34.4%
WISCONSIN	$1,801	100.0%	$672	37.3%	$356	19.9%	$142	7.9%	$36	2.0%	$592	32.9%
WYOMING	$1,385	100.0%	$374	27.0%	$136	9.8%	$104	7.5%	$23	1.6%	$748	54.0%

* Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

** Health care payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

***General taxes include federal contributions to Medicare, the federal and state components of Medicaid, federal and state government contributions to employer-sponsored insurance, and funding for other federal and state public programs. Other public programs include public and general and general assistance, Maternal and Child Health, Vocational Rehabilitation, and other public activities.

TABLE 4B

HOW FAMILIES* PAY FOR HEALTH CARE** 1991

STATE	TOTAL FAMILY		OUT-OF POCKET		INSURANCE		MEDICARE PAYROLL TAX		MEDICARE PREMIUMS		GENERAL TAXES***	
	Per Family	%	Per Family	%	Per Family	%	Per Family	%	Per Family	%	Per Family	%
TOTAL	$4,296	100.0%	$1,362	31.7%	$739	17.2%	$369	8.6%	$112	2.6%	$1,715	39.9%
ALABAMA	$4,064	100.0%	$1,503	37.0%	$627	15.4%	$274	6.8%	$118	2.9%	$1,541	37.9%
ALASKA	$3,846	100.0%	$1,349	35.1%	$699	18.2%	$546	14.2%	$38	1.0%	$1,214	31.6%
ARIZONA	$3,439	100.0%	$1,106	32.2%	$556	16.2%	$281	8.2%	$112	3.3%	$1,384	40.3%
ARKANSAS	$3,480	100.0%	$1,284	36.9%	$474	13.6%	$310	8.9%	$133	3.8%	$1,279	36.8%
CALIFORNIA	$4,433	100.0%	$1,406	31.7%	$732	16.5%	$356	8.0%	$90	2.0%	$1,849	41.7%
COLORADO	$3,933	100.0%	$1,223	31.1%	$673	17.1%	$312	7.9%	$82	2.1%	$1,643	41.8%
CONNECTICUT	$5,421	100.0%	$1,488	27.4%	$1,012	18.7%	$567	10.5%	$124	2.3%	$2,230	41.1%
DELAWARE	$4,393	100.0%	$1,329	30.3%	$589	13.4%	$708	16.1%	$102	2.3%	$1,664	37.9%
DISTRICT OF COLUMBIA	$4,300	100.0%	$924	21.5%	$360	8.4%	$901	21.0%	$85	2.0%	$2,030	47.2%
FLORIDA	$3,932	100.0%	$1,432	36.4%	$553	14.1%	$260	6.6%	$146	3.7%	$1,541	39.2%
GEORGIA	$4,159	100.0%	$1,327	31.9%	$556	13.4%	$340	8.2%	$93	2.2%	$1,843	44.3%
HAWAII	$4,596	100.0%	$1,379	30.0%	$757	16.5%	$341	7.4%	$100	2.2%	$2,020	43.9%
IDAHO	$3,005	100.0%	$945	31.5%	$497	16.5%	$277	9.2%	$114	3.8%	$1,172	39.0%
ILLINOIS	$4,670	100.0%	$1,496	32.0%	$997	21.4%	$421	9.0%	$111	2.4%	$1,644	35.2%
INDIANA	$3,972	100.0%	$1,258	31.7%	$850	21.4%	$325	8.2%	$112	2.8%	$1,427	35.9%
IOWA	$4,026	100.0%	$1,332	33.1%	$934	23.2%	$320	7.9%	$136	3.4%	$1,305	32.4%
KANSAS	$4,481	100.0%	$1,499	33.5%	$1,031	23.0%	$340	7.6%	$125	2.8%	$1,486	33.2%
KENTUCKY	$3,206	100.0%	$1,099	34.3%	$443	13.8%	$240	7.5%	$114	3.6%	$1,310	40.9%
LOUISIANA	$3,809	100.0%	$1,328	34.9%	$537	14.1%	$290	7.6%	$104	2.7%	$1,551	40.7%
MAINE	$3,946	100.0%	$1,218	30.9%	$813	20.6%	$268	6.8%	$128	3.2%	$1,520	38.5%
MARYLAND	$4,484	100.0%	$1,333	29.7%	$591	13.2%	$373	8.3%	$90	2.0%	$2,097	46.8%
MASSACHUSETTS	$5,321	100.0%	$1,526	28.7%	$950	17.9%	$449	8.4%	$117	2.2%	$2,278	42.8%
MICHIGAN	$4,569	100.0%	$1,420	31.1%	$1,014	22.2%	$461	10.1%	$113	2.5%	$1,561	34.2%
MINNESOTA	$4,568	100.0%	$1,415	31.0%	$968	21.2%	$427	9.3%	$112	2.4%	$1,646	36.0%
MISSISSIPPI	$3,009	100.0%	$1,104	36.7%	$409	13.6%	$208	6.9%	$114	3.8%	$1,173	39.0%
MISSOURI	$4,362	100.0%	$1,482	34.0%	$987	22.6%	$365	8.4%	$126	2.9%	$1,402	32.1%
MONTANA	$3,154	100.0%	$976	30.9%	$483	15.3%	$248	7.9%	$118	3.7%	$1,329	42.1%
NEBRASKA	$4,268	100.0%	$1,458	34.2%	$989	23.2%	$353	8.3%	$125	2.9%	$1,344	31.5%
NEVADA	$3,897	100.0%	$1,303	33.4%	$689	17.7%	$252	6.5%	$89	2.3%	$1,564	40.1%
NEW HAMPSHIRE	$3,860	100.0%	$1,282	33.2%	$704	18.2%	$362	9.4%	$103	2.7%	$1,409	36.5%
NEW JERSEY	$4,863	100.0%	$1,261	25.9%	$769	15.8%	$505	10.4%	$122	2.5%	$2,207	45.4%
NEW MEXICO	$3,297	100.0%	$1,010	30.6%	$478	14.5%	$260	7.9%	$99	3.0%	$1,449	44.0%
NEW YORK	$5,585	100.0%	$1,370	24.5%	$809	14.5%	$565	10.1%	$115	2.1%	$2,726	48.8%
NORTH CAROLINA	$3,630	100.0%	$1,220	33.6%	$510	14.1%	$317	8.7%	$111	3.1%	$1,472	40.5%
NORTH DAKOTA	$4,193	100.0%	$1,446	34.5%	$1,013	24.2%	$292	7.0%	$131	3.1%	$1,311	31.3%
OHIO	$4,474	100.0%	$1,382	30.9%	$973	21.8%	$397	8.9%	$121	2.7%	$1,601	35.8%
OKLAHOMA	$3,786	100.0%	$1,347	35.6%	$522	13.8%	$286	7.5%	$120	3.2%	$1,512	39.9%
OREGON	$3,900	100.0%	$1,194	30.6%	$648	16.6%	$330	8.5%	$123	3.1%	$1,605	41.2%
PENNSYLVANIA	$4,300	100.0%	$1,421	33.0%	$892	20.7%	$391	9.1%	$140	3.2%	$1,457	33.9%
RHODE ISLAND	$4,914	100.0%	$1,488	30.3%	$875	17.8%	$405	8.2%	$131	2.7%	$2,014	41.0%
SOUTH CAROLINA	$3,414	100.0%	$1,021	29.9%	$490	14.4%	$272	8.0%	$106	3.1%	$1,525	44.7%
SOUTH DAKOTA	$3,863	100.0%	$1,449	37.5%	$912	23.6%	$255	6.6%	$136	3.6%	$1,109	28.7%
TENNESSEE	$3,487	100.0%	$1,436	41.2%	$612	17.6%	$322	9.2%	$116	3.3%	$1,001	28.7%
TEXAS	$4,095	100.0%	$1,526	37.3%	$580	14.2%	$315	7.7%	$93	2.3%	$1,581	38.6%
UTAH	$3,662	100.0%	$1,136	30.9%	$669	18.2%	$298	8.1%	$93	2.5%	$1,485	40.3%
VERMONT	$3,649	100.0%	$1,166	32.0%	$694	19.0%	$316	8.7%	$107	2.9%	$1,367	37.4%
VIRGINIA	$4,358	100.0%	$1,345	30.9%	$571	13.1%	$325	7.5%	$97	2.2%	$2,020	46.4%
WASHINGTON	$3,710	100.0%	$1,071	28.9%	$587	15.8%	$309	8.3%	$100	2.7%	$1,642	44.3%
WEST VIRGINIA	$3,443	100.0%	$1,313	38.1%	$542	15.7%	$242	7.0%	$139	4.0%	$1,207	35.1%
WISCONSIN	$4,245	100.0%	$1,339	31.5%	$959	22.6%	$393	9.3%	$123	2.9%	$1,431	33.7%
WYOMING	$3,474	100.0%	$970	27.9%	$548	15.8%	$305	8.8%	$98	2.8%	$1,552	44.7%

* Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

** Health care payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

***General taxes include federal contributions to Medicare, the federal and state components of Medicaid, federal and state government contributions to employer-sponsored insurance, and funding for other federal and state public programs. Other public programs include public and general and general assistance, Maternal and Child Health, Vocational Rehabilitation, and other public activities.

TABLE 4C

HOW FAMILIES WILL PAY* FOR HEALTH CARE** 2000

State	TOTAL FAMILY		OUT-OF POCKET		INSURANCE		MEDICARE PAYROLL TAX		MEDICARE PREMIUMS		GENERAL TAXES***	
	Per Family	%	Per Family	%	Per Family	%	Per Family	%	Per Family	%	Per Family	%
TOTAL	$9,397	100.0%	$2,562	27.3%	$1,610	17.1%	$605	6.4%	$219	2.3%	$4,400	46.8%
ALABAMA	$8,893	100.0%	$2,818	31.7%	$1,369	15.4%	$455	5.1%	$236	2.7%	$4,015	45.1%
ALASKA	$7,260	100.0%	$2,543	35.0%	$1,564	21.5%	$374	5.2%	$82	1.1%	$2,697	37.1%
ARIZONA	$7,222	100.0%	$2,074	28.7%	$1,267	17.5%	$463	6.4%	$228	3.2%	$3,191	44.2%
ARKANSAS	$7,576	100.0%	$2,412	31.8%	$1,056	13.9%	$516	6.8%	$260	3.4%	$3,332	44.0%
CALIFORNIA	$9,765	100.0%	$2,667	27.3%	$1,661	17.0%	$600	6.1%	$178	1.8%	$4,659	47.7%
COLORADO	$8,568	100.0%	$2,293	26.7%	$1,498	17.4%	$517	6.0%	$168	2.0%	$4,113	47.9%
CONNECTICUT	$12,100	100.0%	$2,798	23.1%	$2,234	18.5%	$948	7.8%	$238	2.0%	$5,880	48.6%
DELAWARE	$9,055	100.0%	$2,496	27.6%	$1,292	14.3%	$825	9.1%	$209	2.3%	$4,230	46.7%
DISTRICT OF COLUMBIA	$9,445	100.0%	$1,743	18.4%	$809	8.6%	$1,221	12.9%	$165	1.7%	$5,506	58.3%
FLORIDA	$8,235	100.0%	$2,682	32.6%	$1,226	14.9%	$428	5.2%	$292	3.5%	$3,607	43.8%
GEORGIA	$8,864	100.0%	$2,500	28.1%	$1,221	13.7%	$566	6.4%	$182	2.0%	$4,414	49.7%
HAWAII	$9,988	100.0%	$2,584	25.9%	$1,707	17.1%	$478	4.8%	$222	2.2%	$4,997	50.0%
IDAHO	$6,726	100.0%	$1,791	26.6%	$1,136	16.9%	$467	6.9%	$220	3.3%	$3,110	46.2%
ILLINOIS	$10,423	100.0%	$2,824	27.1%	$2,173	20.8%	$706	6.8%	$215	2.1%	$4,505	43.2%
INDIANA	$8,770	100.0%	$2,361	26.9%	$1,832	20.9%	$540	6.2%	$222	2.5%	$3,815	43.5%
IOWA	$9,021	100.0%	$2,499	27.7%	$2,017	22.4%	$531	5.9%	$267	3.0%	$3,707	41.1%
KANSAS	$8,837	100.0%	$2,824	28.7%	$2,236	22.7%	$568	5.8%	$244	2.5%	$3,965	40.3%
KENTUCKY	$7,177	100.0%	$2,060	28.7%	$989	13.8%	$397	5.5%	$228	3.2%	$3,503	48.8%
LOUISIANA	$8,511	100.0%	$2,491	29.3%	$1,183	13.9%	$480	5.6%	$212	2.5%	$4,145	48.7%
MAINE	$8,640	100.0%	$2,292	26.5%	$1,785	20.7%	$449	5.2%	$242	2.8%	$3,872	44.8%
MARYLAND	$9,878	100.0%	$2,508	25.4%	$1,296	13.1%	$622	6.3%	$177	1.8%	$5,273	53.4%
MASSACHUSETTS	$11,934	100.0%	$2,875	24.1%	$2,116	17.7%	$755	6.3%	$220	1.8%	$5,968	50.0%
MICHIGAN	$10,054	100.0%	$2,671	26.6%	$2,195	21.8%	$770	7.7%	$222	2.2%	$4,197	41.7%
MINNESOTA	$9,864	100.0%	$2,667	27.0%	$2,111	21.4%	$567	6.0%	$217	2.2%	$4,282	43.4%
MISSISSIPPI	$8,568	100.0%	$2,082	31.6%	$916	13.9%	$348	5.3%	$223	3.4%	$3,019	45.8%
MISSOURI	$9,428	100.0%	$2,786	29.6%	$2,138	22.7%	$610	6.5%	$243	2.6%	$3,649	38.7%
MONTANA	$7,150	100.0%	$1,837	25.7%	$1,103	15.4%	$415	5.8%	$228	3.2%	$3,567	49.9%
NEBRASKA	$9,348	100.0%	$2,742	29.3%	$2,133	22.8%	$588	6.3%	$248	2.6%	$3,639	38.9%
NEVADA	$8,394	100.0%	$2,462	29.3%	$1,552	18.5%	$424	5.0%	$173	2.1%	$3,783	45.1%
NEW HAMPSHIRE	$8,050	100.0%	$2,419	30.1%	$1,566	19.5%	$610	7.6%	$192	2.4%	$3,263	40.5%
NEW JERSEY	$10,752	100.0%	$2,373	22.1%	$1,718	16.0%	$844	7.8%	$235	2.2%	$5,582	51.9%
NEW MEXICO	$7,109	100.0%	$1,910	26.9%	$1,085	15.3%	$437	6.2%	$193	2.7%	$3,484	49.0%
NEW YORK	$12,690	100.0%	$2,580	20.3%	$1,793	14.1%	$944	7.4%	$224	1.8%	$7,149	56.3%
NORTH CAROLINA	$7,794	100.0%	$2,279	29.2%	$1,125	14.4%	$521	6.7%	$227	2.9%	$3,641	46.7%
NORTH DAKOTA	$9,229	100.0%	$2,723	29.5%	$2,187	23.7%	$489	5.3%	$256	2.8%	$3,575	38.7%
OHIO	$9,899	100.0%	$2,590	26.2%	$2,096	21.2%	$656	6.6%	$239	2.4%	$4,314	43.6%
OKLAHOMA	$8,364	100.0%	$2,534	30.3%	$1,155	13.8%	$477	5.7%	$234	2.8%	$3,966	47.4%
OREGON	$8,772	100.0%	$2,256	25.7%	$1,466	16.7%	$559	6.4%	$227	2.6%	$4,262	48.6%
PENNSYLVANIA	$9,571	100.0%	$2,662	27.8%	$1,950	20.4%	$650	6.8%	$271	2.8%	$4,039	42.2%
RHODE ISLAND	$10,862	100.0%	$2,813	25.9%	$1,944	17.9%	$666	6.3%	$243	2.2%	$5,176	47.7%
SOUTH CAROLINA	$7,474	100.0%	$1,909	25.5%	$1,082	14.5%	$449	6.0%	$215	2.9%	$3,819	51.1%
SOUTH DAKOTA	$8,365	100.0%	$2,735	32.7%	$1,990	23.8%	$429	5.1%	$264	3.2%	$2,947	35.2%
TENNESSEE	$7,401	100.0%	$2,686	36.3%	$1,334	18.0%	$532	7.2%	$234	3.2%	$2,615	35.3%
TEXAS	$8,789	100.0%	$2,883	32.8%	$1,279	14.5%	$527	6.0%	$187	2.1%	$3,913	44.5%
UTAH	$8,184	100.0%	$2,189	26.5%	$1,532	18.7%	$506	6.2%	$184	2.3%	$3,793	46.3%
VERMONT	$7,974	100.0%	$2,200	27.6%	$1,529	19.2%	$531	6.7%	$202	2.5%	$3,512	44.0%
VIRGINIA	$9,631	100.0%	$2,530	26.3%	$1,258	13.1%	$542	5.6%	$193	2.0%	$5,108	53.0%
WASHINGTON	$8,361	100.0%	$2,023	24.2%	$1,330	15.9%	$519	6.2%	$193	2.3%	$4,296	51.4%
WEST VIRGINIA	$7,708	100.0%	$2,460	31.9%	$1,189	15.4%	$402	5.2%	$272	3.5%	$3,383	43.9%
WISCONSIN	$9,337	100.0%	$2,517	27.0%	$2,078	22.3%	$656	7.0%	$240	2.6%	$3,846	41.2%
WYOMING	$7,945	100.0%	$1,838	23.1%	$1,242	15.6%	$515	6.5%	$188	2.4%	$4,163	52.4%

* Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

** Health care payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

***General taxes include federal contributions to Medicare, the federal and state components of Medicaid, federal and state government contributions to employer-sponsored insurance, and funding for other federal and state public programs. Other public programs include public and general and general assistance, Maternal and Child Health, Vocational Rehabilitation, and other public activities.

TABLE 5A

HOW BUSINESS PAID FOR HEALTH CARE* 1980
(amounts in millions of dollars)

STATE	TOTAL BUSINESS		INSURANCE		MEDICARE PAYROLL TAX		GENERAL TAXES**		OTHER***	
		%		%		%		%		%
TOTAL	74,083	100.0%	43,268	58.4%	11,745	15.9%	13,070	17.6%	6,000	8.1%
ALABAMA	828	100.0%	438	53.0%	152	18.3%	176	21.3%	61	7.4%
ALASKA	185	100.0%	66	36.0%	9	4.7%	77	41.7%	33	17.7%
ARIZONA	800	100.0%	455	56.9%	120	15.0%	160	20.0%	65	8.2%
ARKANSAS	440	100.0%	217	49.5%	85	19.3%	92	21.0%	45	10.3%
CALIFORNIA	8,971	100.0%	4,887	54.5%	1,259	14.0%	1,940	21.6%	885	9.9%
COLORADO	969	100.0%	610	62.9%	146	15.1%	151	15.6%	62	6.4%
CONNECTICUT	1,519	100.0%	866	57.0%	198	13.0%	383	25.2%	72	4.7%
DELAWARE	164	100.0%	88	53.4%	41	24.7%	25	14.9%	11	6.9%
DISTRICT OF COLUMBIA	180	100.0%	20	11.2%	64	35.8%	58	32.2%	38	20.8%
FLORIDA	2,227	100.0%	1,108	49.7%	402	18.0%	520	23.4%	197	8.8%
GEORGIA	1,245	100.0%	669	53.8%	232	18.6%	243	19.5%	101	8.1%
HAWAII	305	100.0%	181	59.2%	45	14.7%	47	15.4%	33	10.7%
IDAHO	220	100.0%	117	53.2%	43	19.6%	39	17.8%	21	9.4%
ILLINOIS	4,563	100.0%	2,911	63.8%	687	15.1%	603	13.2%	362	7.9%
INDIANA	1,787	100.0%	1,233	69.0%	286	16.1%	206	11.5%	60	3.3%
IOWA	976	100.0%	657	67.3%	142	14.5%	124	12.7%	54	5.5%
KANSAS	830	100.0%	532	64.1%	115	13.8%	137	16.5%	46	5.5%
KENTUCKY	827	100.0%	467	56.5%	132	15.9%	140	16.9%	88	10.6%
LOUISIANA	1,310	100.0%	539	41.2%	185	14.1%	422	32.2%	164	12.5%
MAINE	310	100.0%	185	59.7%	41	13.1%	40	13.0%	44	14.2%
MARYLAND	1,180	100.0%	704	59.7%	205	17.3%	170	14.4%	102	8.6%
MASSACHUSETTS	2,328	100.0%	1,537	66.0%	305	13.1%	325	14.0%	161	6.9%
MICHIGAN	3,832	100.0%	2,353	61.4%	579	15.1%	560	14.6%	340	8.9%
MINNESOTA	1,640	100.0%	1,035	63.1%	257	15.7%	208	12.7%	140	8.5%
MISSISSIPPI	455	100.0%	234	51.4%	76	16.7%	112	24.7%	33	7.2%
MISSOURI	1,601	100.0%	1,115	69.6%	254	15.9%	165	10.3%	67	4.2%
MONTANA	211	100.0%	111	52.7%	33	15.6%	45	21.2%	22	10.6%
NEBRASKA	525	100.0%	358	68.3%	78	14.9%	66	12.5%	23	4.3%
NEVADA	306	100.0%	177	57.9%	38	12.4%	54	17.5%	38	12.3%
NEW HAMPSHIRE	319	100.0%	172	54.0%	43	13.5%	78	24.3%	26	8.2%
NEW JERSEY	2,623	100.0%	1,604	61.1%	417	15.9%	430	16.4%	172	6.6%
NEW MEXICO	329	100.0%	132	40.0%	51	15.4%	117	35.6%	29	8.9%
NEW YORK	6,717	100.0%	4,084	60.8%	1,207	18.0%	1,080	16.1%	346	5.2%
NORTH CAROLINA	1,237	100.0%	680	55.0%	258	20.9%	227	18.4%	71	5.8%
NORTH DAKOTA	230	100.0%	149	65.0%	28	12.3%	43	18.6%	9	4.0%
OHIO	4,315	100.0%	2,747	63.7%	610	14.1%	536	12.4%	422	9.8%
OKLAHOMA	700	100.0%	341	48.7%	144	20.5%	143	20.4%	73	10.4%
OREGON	860	100.0%	451	52.5%	134	15.6%	125	14.5%	149	17.4%
PENNSYLVANIA	4,291	100.0%	2,715	63.3%	641	14.9%	624	14.5%	311	7.2%
RHODE ISLAND	385	100.0%	254	65.9%	49	12.6%	53	13.7%	30	7.8%
SOUTH CAROLINA	550	100.0%	238	43.3%	123	22.4%	146	26.5%	43	7.8%
SOUTH DAKOTA	193	100.0%	131	67.8%	28	14.3%	28	14.3%	7	3.7%
TENNESSEE	1,472	100.0%	626	42.5%	216	14.7%	559	38.0%	70	4.8%
TEXAS	3,810	100.0%	1,930	50.6%	735	19.3%	764	20.1%	381	10.0%
UTAH	324	100.0%	204	63.1%	50	15.3%	49	15.0%	21	6.5%
VERMONT	136	100.0%	89	65.7%	21	15.3%	17	12.9%	8	6.0%
VIRGINIA	1,175	100.0%	641	54.5%	221	18.8%	219	18.7%	94	8.0%
WASHINGTON	1,346	100.0%	682	50.7%	202	15.0%	286	21.2%	176	13.1%
WEST VIRGINIA	456	100.0%	239	52.2%	75	16.3%	48	10.6%	96	20.9%
WISCONSIN	1,764	100.0%	1,222	69.3%	265	15.0%	183	10.4%	94	5.3%
WYOMING	119	100.0%	64	54.0%	20	16.8%	27	22.8%	8	6.4%

* Health care payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** General taxes include federal contributions to Medicare, the federal and state components of Medicaid, federal and state government contributions to employer-sponsored insurance, and funding for other federal and state public programs. Other public programs include public and general assistance, Maternal and Child Health, Vocational Rehabilitation, and other public health activities.

***The Other business component of health care spending covers worker's compensation and temporary disability and industrial in-plan health benefits.

TABLE 58

HOW BUSINESS PAYS FOR HEALTH CARE* 1991
(amounts in millions of dollars)

STATE	TOTAL BUSINESS		INSURANCE		MEDICARE PAYROLL TAX		GENERAL TAXES**		OTHER***	
		%		%		%		%		%
TOTAL	237,641	100.0%	131,360	55.3%	39,204	16.5%	47,965	20.2%	19,112	8.0%
ALABAMA	2,580	100.0%	1,332	51.6%	459	17.8%	577	22.4%	212	8.2%
ALASKA	854	100.0%	283	33.1%	119	14.0%	345	40.4%	108	12.6%
ARIZONA	3,002	100.0%	1,830	61.0%	447	14.9%	552	18.4%	172	5.7%
ARKANSAS	1,313	100.0%	580	44.2%	313	23.8%	296	22.6%	124	9.4%
CALIFORNIA	35,109	100.0%	20,362	58.1%	4,621	13.2%	6,817	19.4%	3,290	9.4%
COLORADO	3,284	100.0%	1,986	60.5%	479	14.6%	508	15.5%	311	9.5%
CONNECTICUT	5,327	100.0%	2,699	50.7%	777	14.6%	1,515	28.4%	336	6.3%
DELAWARE	667	100.0%	264	39.7%	216	32.4%	146	21.9%	39	5.9%
DISTRICT OF COLUMBIA	541	100.0%	49	9.1%	278	51.4%	146	27.1%	67	12.4%
FLORIDA	9,506	100.0%	4,630	48.7%	1,522	16.0%	2,442	25.7%	912	9.6%
GEORGIA	4,361	100.0%	2,016	46.2%	907	20.8%	1,043	23.9%	395	9.1%
HAWAII	1,173	100.0%	744	63.4%	154	13.1%	169	14.4%	106	9.0%
IDAHO	664	100.0%	363	54.6%	115	17.4%	132	19.8%	54	8.2%
ILLINOIS	13,248	100.0%	8,221	62.1%	2,066	15.6%	2,134	16.1%	827	6.2%
INDIANA	4,705	100.0%	3,056	65.0%	782	16.6%	709	15.1%	156	3.3%
IOWA	2,613	100.0%	1,683	64.4%	394	15.1%	427	16.3%	109	4.2%
KANSAS	2,619	100.0%	1,706	65.1%	359	13.7%	419	16.0%	135	5.2%
KENTUCKY	2,106	100.0%	940	44.6%	380	18.0%	574	27.3%	212	10.1%
LOUISIANA	3,206	100.0%	1,200	37.4%	497	15.5%	1,088	33.9%	421	13.1%
MAINE	1,176	100.0%	655	55.7%	136	11.5%	171	14.5%	214	18.2%
MARYLAND	3,607	100.0%	1,720	47.7%	793	22.0%	804	22.3%	289	8.0%
MASSACHUSETTS	8,236	100.0%	5,039	61.2%	1,169	14.2%	1,460	17.7%	568	6.9%
MICHIGAN	10,609	100.0%	6,203	58.5%	1,766	16.7%	1,954	18.4%	685	6.5%
MINNESOTA	5,144	100.0%	3,205	62.3%	818	15.9%	742	14.4%	379	7.4%
MISSISSIPPI	1,228	100.0%	491	40.0%	222	18.1%	409	33.3%	106	8.6%
MISSOURI	5,172	100.0%	3,435	66.4%	802	15.5%	688	13.3%	248	4.8%
MONTANA	617	100.0%	294	47.7%	87	14.1%	128	20.8%	107	17.3%
NEBRASKA	1,589	100.0%	1,045	65.8%	245	15.4%	231	14.5%	68	4.3%
NEVADA	1,327	100.0%	843	63.5%	140	10.5%	205	15.4%	139	10.5%
NEW HAMPSHIRE	1,285	100.0%	632	49.2%	172	13.4%	382	29.7%	99	7.7%
NEW JERSEY	8,777	100.0%	4,656	53.0%	1,627	18.5%	2,009	22.9%	485	5.5%
NEW MEXICO	949	100.0%	445	46.9%	163	17.1%	228	24.1%	113	11.9%
NEW YORK	20,117	100.0%	10,918	54.3%	4,329	21.5%	3,935	19.6%	934	4.6%
NORTH CAROLINA	4,104	100.0%	1,976	48.2%	884	21.6%	1,033	25.2%	211	5.1%
NORTH DAKOTA	640	100.0%	391	61.2%	80	12.5%	134	21.0%	34	5.3%
OHIO	11,412	100.0%	6,762	59.3%	1,789	15.7%	1,652	14.5%	1,209	10.6%
OKLAHOMA	1,875	100.0%	861	45.9%	384	20.5%	406	21.7%	224	11.9%
OREGON	2,664	100.0%	1,487	55.8%	410	15.4%	372	14.0%	395	14.8%
PENNSYLVANIA	12,700	100.0%	7,527	59.3%	1,967	15.5%	2,222	17.5%	984	7.8%
RHODE ISLAND	1,157	100.0%	691	59.8%	171	14.8%	183	15.8%	111	9.6%
SOUTH CAROLINA	1,844	100.0%	863	46.8%	383	20.8%	454	24.6%	144	7.8%
SOUTH DAKOTA	596	100.0%	392	65.9%	74	12.4%	102	17.1%	28	4.7%
TENNESSEE	4,402	100.0%	1,596	36.3%	656	15.0%	1,923	43.7%	224	5.1%
TEXAS	12,619	100.0%	5,994	47.5%	2,215	17.6%	2,806	22.2%	1,605	12.7%
UTAH	1,234	100.0%	735	59.6%	183	14.8%	219	17.7%	98	7.9%
VERMONT	483	100.0%	293	60.7%	78	16.2%	80	16.5%	32	6.6%
VIRGINIA	3,999	100.0%	1,957	48.9%	841	21.0%	928	23.2%	274	6.9%
WASHINGTON	4,619	100.0%	2,483	53.8%	674	14.6%	937	20.3%	525	11.4%
WEST VIRGINIA	1,236	100.0%	453	36.6%	181	14.6%	328	26.5%	275	22.2%
WISCONSIN	5,002	100.0%	3,180	63.6%	817	16.3%	720	14.4%	286	5.7%
WYOMING	344	100.0%	171	49.8%	58	16.9%	80	23.4%	35	10.1%

* Health care payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** General taxes include federal contributions to Medicare, the federal and state components of Medicaid, federal and state government contributions to employer-sponsored insurance, and funding for other federal and state public programs. Other public programs include public and general assistance, Maternal and Child Health, Vocational Rehabilitation, and other public health activities.

***The Other business component of health care spending covers worker's compensation and temporary disability and industrial in-plan health benefits.

TABLE 5C

HOW BUSINESS WILL PAY FOR HEALTH CARE* 2000
(amounts in millions of dollars)

STATE	TOTAL BUSINESS		INSURANCE		MEDICARE PAYROLL TAX		GENERAL TAXES**		OTHER***	
		%		%		%		%		%
TOTAL	511,439	100.0%	271,613	53.1%	68,566	13.4%	125,061	24.5%	46,200	9.0%
ALABAMA	5,587	100.0%	2,737	49.0%	807	14.4%	1,538	27.5%	504	9.0%
ALASKA	2,163	100.0%	698	32.3%	104	4.8%	1,054	48.7%	308	14.2%
ARIZONA	7,662	100.0%	4,609	60.2%	960	12.5%	1,593	20.8%	499	6.5%
ARKANSAS	2,770	100.0%	1,179	42.6%	542	19.6%	759	27.4%	291	10.5%
CALIFORNIA	61,334	100.0%	45,834	56.1%	6,814	10.8%	16,392	22.6%	6,494	10.4%
COLORADO	7,414	100.0%	4,360	58.8%	896	12.1%	1,371	18.5%	758	10.6%
CONNECTICUT	11,604	100.0%	5,564	48.0%	1,363	11.7%	3,879	33.4%	798	6.9%
DELAWARE	1,325	100.0%	562	42.4%	276	20.8%	390	29.5%	97	7.3%
DISTRICT OF COLUMBIA	1,007	100.0%	99	9.8%	379	37.7%	375	37.2%	154	15.3%
FLORIDA	23,760	100.0%	11,090	46.7%	3,107	13.1%	7,043	29.6%	2,520	10.6%
GEORGIA	10,753	100.0%	4,845	45.1%	1,863	17.3%	2,948	27.4%	1,097	10.2%
HAWAII	2,716	100.0%	1,720	63.3%	262	9.6%	451	16.6%	283	10.4%
IDAHO	1,376	100.0%	722	52.5%	196	14.2%	334	24.3%	124	9.0%
ILLINOIS	26,062	100.0%	15,732	60.3%	3,366	12.9%	5,161	19.8%	1,823	7.0%
INDIANA	9,219	100.0%	5,820	63.1%	1,266	13.7%	1,790	19.4%	343	3.7%
IOWA	4,718	100.0%	2,910	61.7%	580	12.3%	1,010	21.4%	217	4.6%
KANSAS	5,259	100.0%	3,323	63.2%	596	11.3%	1,037	19.7%	304	5.8%
KENTUCKY	4,346	100.0%	1,802	41.5%	622	14.3%	1,452	33.4%	470	10.8%
LOUISIANA	6,907	100.0%	2,333	33.8%	824	11.9%	2,806	40.6%	945	13.7%
MAINE	2,516	100.0%	1,339	53.2%	236	9.4%	435	17.3%	506	20.1%
MARYLAND	8,080	100.0%	3,746	46.3%	1,482	18.3%	2,127	26.3%	733	9.1%
MASSACHUSETTS	17,070	100.0%	10,107	59.2%	1,997	11.7%	3,654	21.4%	1,313	7.7%
MICHIGAN	21,219	100.0%	11,960	56.4%	2,901	13.7%	4,837	22.8%	1,522	7.2%
MINNESOTA	10,308	100.0%	6,425	62.3%	1,146	11.1%	1,861	18.1%	876	8.5%
MISSISSIPPI	2,774	100.0%	1,030	37.1%	398	14.4%	1,089	39.3%	257	9.3%
MISSOURI	10,882	100.0%	6,942	65.0%	1,381	12.9%	1,782	16.7%	577	5.4%
MONTANA	1,257	100.0%	559	44.4%	141	11.2%	323	25.7%	234	18.6%
NEBRASKA	3,047	100.0%	1,946	63.9%	389	12.8%	566	18.6%	146	4.8%
NEVADA	3,235	100.0%	1,999	61.8%	282	8.7%	574	17.7%	381	11.8%
NEW HAMPSHIRE	3,193	100.0%	1,506	47.2%	350	10.9%	1,064	33.3%	272	8.5%
NEW JERSEY	19,275	100.0%	9,940	51.6%	2,958	15.3%	5,182	26.9%	1,195	6.2%
NEW MEXICO	2,445	100.0%	1,106	45.3%	348	14.2%	666	27.2%	326	13.3%
NEW YORK	40,006	100.0%	21,076	52.7%	7,115	17.8%	9,736	24.3%	2,079	5.2%
NORTH CAROLINA	9,346	100.0%	4,362	46.7%	1,664	17.8%	2,785	29.8%	536	5.7%
NORTH DAKOTA	1,225	100.0%	706	57.6%	123	10.1%	322	26.3%	71	5.8%
OHIO	22,292	100.0%	12,743	57.2%	2,870	12.9%	4,053	18.2%	2,626	11.8%
OKLAHOMA	3,942	100.0%	1,718	43.6%	656	16.7%	1,050	26.6%	517	13.1%
OREGON	5,571	100.0%	2,996	53.8%	704	12.6%	951	17.1%	918	16.5%
PENNSYLVANIA	24,576	100.0%	13,976	56.9%	3,112	12.7%	5,379	21.9%	2,108	8.6%
RHODE ISLAND	2,452	100.0%	1,422	58.0%	300	12.3%	466	19.0%	263	10.7%
SOUTH CAROLINA	4,130	100.0%	1,854	44.9%	703	17.0%	1,216	29.4%	357	8.7%
SOUTH DAKOTA	1,185	100.0%	757	63.9%	121	10.2%	245	20.7%	62	5.2%
TENNESSEE	10,085	100.0%	3,268	32.6%	1,158	11.5%	5,106	50.6%	532	5.3%
TEXAS	29,838	100.0%	13,596	45.6%	4,286	14.4%	7,749	26.0%	4,205	14.1%
UTAH	2,802	100.0%	1,613	57.6%	343	12.2%	599	21.4%	248	8.8%
VERMONT	1,012	100.0%	601	59.3%	137	13.5%	200	19.7%	75	7.4%
VIRGINIA	8,989	100.0%	4,257	47.4%	1,570	17.5%	2,469	27.5%	693	7.7%
WASHINGTON	9,994	100.0%	5,122	51.2%	1,186	11.9%	2,437	24.4%	1,249	12.5%
WEST VIRGINIA	2,432	100.0%	802	33.0%	273	11.2%	795	32.7%	562	23.1%
WISCONSIN	9,741	100.0%	6,039	62.0%	1,321	13.6%	1,756	18.0%	625	6.4%
WYOMING	706	100.0%	331	46.8%	96	13.6%	203	28.7%	78	11.0%

* Health care payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** General taxes include federal contributions to Medicare, the federal and state components of Medicaid, federal and state government contributions to employer-sponsored insurance, and funding for other federal and state public programs. Other public programs include public and general assistance, Maternal and Child Health, Vocational Rehabilitation, and other public health activities.

***The Other business component of health care spending covers worker's compensation and temporary disability and industrial in-plan health benefits.

TABLE 6

TOTAL HEALTH SPENDING* PER FAMILY (PAID BY FAMILIES AND BUSINESSES)**

State	1980	1991	2000
TOTAL	$2,572	$6,535	$13,911
ALABAMA	2,267	$5,604	$12,041
ALASKA	2,798	$7,756	$15,081
ARIZONA	1,995	$5,321	$10,919
ARKANSAS	1,951	$4,761	$10,213
CALIFORNIA	2,553	$7,141	$15,300
COLORADO	2,483	$6,073	$12,666
CONNECTICUT	3,252	$9,312	$20,174
DELAWARE	2,642	$6,573	$13,021
DISTRICT OF COLUMBIA	2,247	$6,054	$12,685
FLORIDA	1,973	$5,556	$11,512
GEORGIA	2,283	$5,792	$12,164
HAWAII	2,701	$7,190	$14,951
IDAHO	1,806	$4,599	$10,011
ILLINOIS	3,069	$7,370	$15,897
INDIANA	2,457	$5,930	$12,699
IOWA	2,708	$6,148	$13,344
KANSAS	2,896	$6,959	$14,854
KENTUCKY	2,146	$4,535	$9,952
LOUISIANA	2,493	$5,677	$12,531
MAINE	2,213	$6,268	$13,422
MARYLAND	2,812	$6,181	$13,274
MASSACHUSETTS	3,088	$8,484	$18,385
MICHIGAN	2,957	$7,337	$15,684
MINNESOTA	2,936	$7,252	$15,144
MISSISSIPPI	1,808	$4,158	$9,011
MISSOURI	2,556	$6,715	$14,144
MONTANA	2,009	$4,910	$10,841
NEBRASKA	2,658	$6,554	$13,953
NEVADA	2,338	$6,290	$13,254
NEW HAMPSHIRE	2,244	$6,561	$13,623
NEW JERSEY	2,926	$7,586	$16,249
NEW MEXICO	1,878	$4,815	$10,199
NEW YORK	3,135	$8,210	$17,999
NORTH CAROLINA	2,085	$5,101	$10,722
NORTH DAKOTA	2,713	$6,526	$14,077
OHIO	2,883	$7,005	$15,009
OKLAHOMA	2,184	$5,179	$11,227
OREGON	2,178	$6,045	$13,199
PENNSYLVANIA	2,875	$6,825	$14,700
RHODE ISLAND	2,946	$7,647	$16,459
SOUTH CAROLINA	1,847	$4,722	$10,112
SOUTH DAKOTA	2,367	$5,919	$12,547
TENNESSEE	2,313	$5,639	$12,031
TEXAS	2,483	$5,891	$12,456
UTAH	2,082	$5,690	$12,326
VERMONT	1,939	$5,598	$11,909
VIRGINIA	2,216	$5,906	$12,735
WASHINGTON	2,244	$5,826	$12,736
WEST VIRGINIA	2,217	$5,096	$11,282
WISCONSIN	2,751	$6,651	$14,175
WYOMING	2,002	$5,284	$11,744

* Health payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost or private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

TABLE 7

FINANCING OUR HEALTH SYSTEM*
(amounts in millions of dollars)

STATE	1990				1991				2000			
	FAMILIES**		BUSINESSES		FAMILIES		BUSINESSES		FAMILIES		BUSINESSES	
		%		%		%		%		%		%
TOTAL	155,517	67.7%	74,063	32.3%	456,055	65.7%	237,641	34.3%	1,064,661	67.6%	511,439	32.4%
ALABAMA	2,431	74.6%	826	25.4%	6,805	72.5%	2,580	27.5%	15,781	73.9%	5,587	26.1%
ALASKA	243	56.8%	185	43.2%	840	49.6%	854	50.4%	2,008	48.1%	2,163	51.9%
ARIZONA	1,524	65.6%	800	34.4%	5,484	64.6%	3,002	35.4%	14,970	66.1%	7,662	33.9%
ARKANSAS	1,252	74.0%	440	26.0%	3,514	72.8%	1,313	27.2%	7,958	74.2%	2,770	25.8%
CALIFORNIA	16,845	65.2%	8,971	34.8%	57,474	62.1%	35,109	37.9%	143,496	63.8%	81,334	36.2%
COLORADO	1,949	66.8%	969	33.2%	6,032	64.8%	3,284	35.2%	14,885	66.8%	7,414	33.2%
CONNECTICUT	2,474	62.0%	1,519	38.0%	7,423	58.2%	5,327	41.8%	17,388	60.0%	11,604	40.0%
DELAWARE	432	72.4%	164	27.6%	1,343	66.8%	667	33.2%	3,025	69.5%	1,325	30.5%
DISTRICT OF COLUMBIA	529	74.6%	180	25.4%	1,327	71.0%	541	29.0%	2,937	74.5%	1,007	25.5%
FLORIDA	6,377	74.1%	2,227	25.9%	23,026	70.8%	9,506	29.2%	59,720	71.5%	23,760	28.5%
GEORGIA	3,361	73.0%	1,245	27.0%	11,110	71.8%	4,361	28.2%	26,129	73.0%	10,753	27.0%
HAWAII	841	67.7%	305	32.3%	2,079	63.9%	1,173	36.1%	5,466	66.8%	2,716	33.2%
IDAHO	439	66.6%	220	33.4%	1,252	65.3%	664	34.7%	2,818	67.2%	1,376	32.8%
ILLINOIS	8,554	65.2%	4,563	34.8%	22,910	63.4%	13,248	36.6%	49,662	65.6%	26,082	34.4%
INDIANA	3,607	66.9%	1,787	33.1%	9,549	67.0%	4,705	33.0%	20,575	69.1%	9,219	30.9%
IOWA	2,019	67.4%	976	32.6%	4,956	65.5%	2,613	34.5%	9,844	67.6%	4,718	32.4%
KANSAS	1,670	66.8%	830	33.2%	4,738	64.4%	2,619	35.6%	10,313	66.2%	5,259	33.8%
KENTUCKY	2,028	71.0%	827	29.0%	5,081	70.7%	2,106	29.3%	11,238	72.1%	4,346	27.9%
LOUISIANA	2,663	67.0%	1,310	33.0%	6,536	67.1%	3,206	32.9%	14,624	67.9%	6,907	32.1%
MAINE	634	67.2%	310	32.8%	1,999	63.0%	1,176	37.0%	4,546	64.4%	2,516	35.6%
MARYLAND	3,173	72.9%	1,180	27.1%	9,532	72.5%	3,607	27.5%	23,530	74.4%	8,090	25.6%
MASSACHUSETTS	4,678	66.8%	2,328	33.2%	13,852	62.7%	8,238	37.3%	31,580	64.9%	17,070	35.1%
MICHIGAN	6,683	63.6%	3,832	36.4%	17,515	62.3%	10,609	37.7%	37,889	64.1%	21,219	35.9%
MINNESOTA	3,102	65.4%	1,640	34.6%	8,753	63.0%	5,144	37.0%	19,255	65.1%	10,308	34.9%
MISSISSIPPI	1,175	72.1%	455	27.9%	3,215	72.4%	1,228	27.6%	7,542	73.1%	2,774	26.9%
MISSOURI	3,432	68.2%	1,601	31.8%	9,587	65.0%	5,172	35.0%	21,355	66.7%	10,682	33.3%
MONTANA	428	67.0%	211	33.0%	1,108	64.2%	617	35.8%	2,435	66.0%	1,257	34.0%
NEBRASKA	1,110	67.9%	525	32.1%	2,966	65.1%	1,589	34.9%	6,185	67.0%	3,047	33.0%
NEVADA	559	64.6%	306	35.4%	2,161	62.0%	1,327	38.0%	5,589	63.3%	3,235	36.7%
NEW HAMPSHIRE	518	61.9%	319	38.1%	1,836	58.8%	1,285	41.2%	4,612	59.1%	3,193	40.9%
NEW JERSEY	5,156	66.3%	2,623	33.7%	15,881	64.1%	8,777	35.9%	37,701	66.2%	19,275	33.8%
NEW MEXICO	595	64.4%	329	35.6%	2,061	68.5%	949	31.5%	5,625	69.7%	2,445	30.3%
NEW YORK	14,851	68.9%	6,717	31.1%	42,794	68.0%	20,117	32.0%	95,633	70.5%	40,006	29.5%
NORTH CAROLINA	3,332	72.9%	1,237	27.1%	10,126	71.2%	4,104	28.8%	24,678	72.7%	9,348	27.3%
NORTH DAKOTA	450	66.2%	230	33.8%	1,149	64.2%	640	35.8%	2,332	65.6%	1,225	34.4%
OHIO	7,672	64.0%	4,315	36.0%	20,166	63.9%	11,412	36.1%	43,184	66.0%	22,292	34.0%
OKLAHOMA	1,965	73.9%	700	26.1%	5,095	73.1%	1,875	26.9%	11,519	74.5%	3,942	25.5%
OREGON	1,609	65.2%	860	34.8%	4,842	64.5%	2,664	35.5%	11,038	66.5%	5,571	33.5%
PENNSYLVANIA	8,109	65.4%	4,291	34.6%	21,634	63.0%	12,700	37.0%	45,858	65.1%	24,576	34.9%
RHODE ISLAND	699	64.5%	385	35.5%	2,080	64.3%	1,157	35.7%	4,758	66.0%	2,452	34.0%
SOUTH CAROLINA	1,805	74.5%	550	25.5%	4,814	72.3%	1,844	27.7%	11,689	73.9%	4,130	26.1%
SOUTH DAKOTA	430	69.0%	193	31.0%	1,119	65.3%	596	34.7%	2,370	66.7%	1,185	33.3%
TENNESSEE	2,562	63.7%	1,472	36.3%	7,132	61.6%	4,402	38.2%	16,120	61.5%	10,085	38.5%
TEXAS	9,918	72.2%	3,810	27.8%	28,778	69.5%	12,619	30.5%	71,498	70.6%	29,838	29.4%
UTAH	729	69.2%	324	30.8%	2,252	64.6%	1,234	35.4%	5,536	66.4%	2,802	33.6%
VERMONT	282	67.5%	136	32.5%	904	65.2%	483	34.8%	2,051	67.0%	1,012	33.0%
VIRGINIA	3,554	75.2%	1,175	24.8%	11,264	73.8%	3,999	26.2%	27,895	75.6%	8,989	24.4%
WASHINGTON	2,852	66.3%	1,346	33.7%	8,094	63.7%	4,619	36.3%	19,094	65.6%	9,994	34.4%
WEST VIRGINIA	1,166	71.8%	456	28.2%	2,575	67.6%	1,236	32.4%	5,241	68.3%	2,432	31.7%
WISCONSIN	3,343	65.5%	1,764	34.5%	8,825	63.8%	5,002	36.2%	18,799	65.9%	9,741	34.1%
WYOMING	267	69.2%	119	30.8%	660	65.7%	344	34.3%	1,460	67.7%	708	32.3%

* Health payments cover the delivery of all health services and supplies and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue, research and construction.

** Families are groups of one or more persons related by birth, marriage, or adoption and who are residing together. Parents and adult children residing with other family members were counted as separate units.

TECHNICAL APPENDIX

By

Lewin/ICF

METHODOLOGY

Lewin/ICF developed estimates of direct and indirect financing for health services and supplies by state for 1980 and 1991 and projections for 2000. Health services and supplies is the classification used by the Office of National Cost Estimates (NCE) in their calculations. It covers the delivery of all health services and the purchase of medical products, including prescription drugs and vision products in retail outlets. It also includes government public health expenditures, the administrative costs of public programs, and the net cost of private insurance. We have excluded from this presentation non-patient revenue (i.e. revenue to providers from non-medical services, such as hospital gift shops and parking garages), research, and construction.

DIRECT SOURCES OF FINANCING

Direct sources of financing include out-of-pocket expenditures, health insurance, and public programs. Direct sources of financing were split into private and public sources. Private sources of financing were then divided into household and business contributions. Private sources of financing by households consist of out-of-pocket expenditures and insurance payments for both employer-sponsored and non-group insurance. Private sources of financing by businesses consist of employer-sponsored health insurance, workers' compensation and temporary disability, and industrial in-plant services.

Public sources of financing consist of Medicare, Medicaid (both state and federal funding), Veterans' Affairs and Department of Defense health expenditures, other state and federal public programs (as described below), and the federal, state and local government portions of employer-sponsored insurance for public employees.

INDIRECT SOURCES OF FINANCING

Indirect financing moves back to the sources of funding for public programs, including the payroll tax for Medicare Hospital Insurance, Medicare Part B premiums paid by enrollees, and federal and state general revenue financing (broken into individual and corporate sources) for Medicare benefits, Medicaid, and other public programs.

Total federal general revenue contributions consist of the general revenue contributions to Medicare, the federal component of Medicaid, federal government contributions to employer-sponsored insurance, and funding for other federal public programs. This total was distributed across the states using total (individual and corporate) federal income taxes paid by state. This was then broken into individual and corporate sources based on the percentage of total federal income taxes for each state that are paid by individuals and businesses. Federal corporate income taxes by state were obtained from the Tax Foundation and are based on data from the Office of Management and Budget, and a special calculation to adjust for the fact that federal tax collections by state do not accurately reflect the geographic distribution of the taxes[1]. State corporate and individual income taxes were used to split the general revenue contribution for the state component of Medicaid, state government contributions to employer-sponsored insurance, and funding for other state programs.

In addition to the individual portion of the general revenue contribution, individual sources of financing include out-of-pocket expenditures, the employee paid portion of employer-sponsored insurance payments, non-group insurance payments, SMI premiums, and the employee paid portion of the HI tax. Corporate sources of financing include the corporate portion of the general revenue contribution, private business contributions to employer-sponsored health insurance, the employer paid portion of the HI tax, and workers' compensation and in-plant health services.

ESTIMATES FOR 1980 AND 1991

Below we discuss the development of our estimates of expenditures for 1980 and 1991 for Medicaid, Medicare, health insurance, other private programs, out-of-pocket expenditures, and other public programs.

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[1] Facts & Figures on Government Finance, 1990, Tax Foundation.

Medicaid

Total Medicaid expenditure estimates were based on data from the Office of National Cost Estimates. These were distributed across the states using Medicaid medical vendor payments by state obtained from HCFA, Bureau of Data Management Strategy. Total expenditures were then divided between state and federal sources based on the Federal Medicaid Assistance Percentage (FMAP) by state from the Statistical Report on Medicaid.

Medicare

Estimates of total Medicare disbursements were obtained from the 1991 Annual Report of the Board of Trustees of the Old-Age and Survivors Insurance and Disability Insurance Trust Funds (referred to here as the 1991 Trustees' Report) and distributed by state using estimated Medicare benefit payments by state obtained from HCFA's Bureau of Data Management Strategy (BDMS).

For indirect sources of financing, total SMI premiums paid were also obtained from the 1991 Trustees' Report. This figure was distributed across the states based on the number of SMI beneficiaries per state obtained from HCFA's BDMS. HI taxes were estimated using reported taxable earnings by state from the Social Security Administration. HI taxes and SMI premiums were then subtracted from total disbursements to obtain the general revenue contribution to Medicare.

Health Insurance

Total health insurance premiums were based on data from the Office of National Cost Estimates. This total figure was split between employer-sponsored and non-group insurance based on results from the Lewin/ICF Health Benefits Simulation Model (HBSM).[2] The non-

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[2] The Lewin/ICF Health Benefits Simulation Model (HBSM) models current law and sources of financing for health care services. The model also can simulate the impact of alternative health reform proposals.

group portion was distributed across the states using non-group expenditures also based on results from the HBSM.

The employer-sponsored portion of health insurance was distributed across the states using results from the HBSM, and then divided between employer paid and employee paid. HBSM determines the amount of health expenditures paid by employer-sponsored insurance by assigning persons to health insurance plans from the Lewin/ICF Health Insurance Plan database based on data from a Small Business Administration (SBA) survey of health benefits.

The percent of employer-sponsored insurance that is paid by the employer, by state, was determined based on data from a 1990 survey of employer-sponsored health benefit plans by HIAA and the March 1990 CPS. National data on the percent paid by the employee for individual and family policies, by firm size, was applied to the mix of employer-sponsored insurance in each state. This data is based on the place of residence of each employee.

The employer paid portion was then split between private employers, the federal government, and state and local governments using data from the Office of National Cost Estimates contained in Health Care Financing Review, Winter 1990. The federal government and state and local government employer contributions to private health insurance were distributed across the states based on the number of federal, state and local employees by state obtained from Facts and Figures on Government Finance.

Other Private

Workers' compensation and temporary disability and industrial in-plant health benefit total expenditures were based on data from the Office of National Cost Estimates. They were distributed using workers' compensation payments by state from the Statistical Abstract.

Out-of-Pocket Expenditures

Total out-of-pocket expenditures were also based on data from the Office of National Cost Estimates. These totals were distributed across the states using out-of-pocket expenditures from the HBSM. The HBSM estimates state spending using techniques that reflect the socio-economic composition of the population in each state. These estimates are adjusted to match HCFA estimates of differences in per capita health spending by state and estimates of national health spending by source of payment.[3]

Other Public Programs

Federal Programs

Total Veterans Affairs health expenditures were based on data from the Office of National Cost Estimates. These were distributed using medical services and administrative costs from the Annual Report of the Secretary of Veterans Affairs.

Total Department of Defense health expenditures were obtained from the Office of National Cost Estimates. These were distributed for 1991 using the number of beneficiaries by state in 1988 and the number of military employees by state from State and County Data Book for 1980.

Total expenditures for other federal government programs, including Maternal and Child Health, Vocational Rehabilitation Alcohol, the Drug Abuse and Mental Health Administration, Indian Health Service, and other miscellaneous general hospital and medical programs and public health activities were obtained from the Office of National Cost Estimates. These were distributed across the states using other public expenditure numbers from the HBSM.

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[3] EMERGENCY! Rising Health Costs in America, 1980-1990-2000, A Families USA Foundation Report.

State and Local Programs

Total hospital subsidies were obtained from the Office of National Cost Estimates. These were distributed across the states using state direct expenditures for hospitals by state, from Facts and Figures on Government Finance, Tax Foundation.

Total expenditures for other state and local government programs, including public and general assistance, Maternal and Child Health, Vocational Rehabilitation, and public health activities were obtained from the Office of National Cost Estimates. These were distributed across the states using other public expenditure numbers from the HBSM.

PROJECTIONS TO 2000

We next projected our estimates of direct and indirect financing of health services and supplies to the year 2000.

Medicaid

Medicaid expenditures for 1990 were split between aged and non-aged by state, based on data from the American Academy of Pediatrics, Medicaid State Reports, FY 1989. Per capita Medicaid expenditures for aged and non-aged were calculated by state for 1990, using the appropriate population subset (over 65 or under 65). These per capita figures were then multiplied by state-level projections of the over 65 and under 65 populations for the year 2000 to approximate the impact of the change in population on Medicaid expenditures.

Estimated total Medicaid expenditures for 2000 were obtained from the Office of National Cost Estimates. This total figure was split between aged and non-aged based on 1989 Medicaid data and adjusted for the change in the over 65 population relative to the under 65 population from 1989 and 2000. We then inflated our population adjusted Medicaid expenditures by state by an appropriate inflation factor so that the total aged and non-aged expenditures would match the totals obtained from NCE. Finally, we used the 1991 Medicaid

Federal Medical Assistance percentages to split total Medicaid expenditures between federal and state sources.

Medicare

Projected total Medicare expenditures for the year 2000 were obtained from the 1991 Trustees' Report. Per capita Medicare expenditures by state for 1990 were calculated using the over 65 population. These per capita figures were then multiplied by projections of the over 65 population for 2000 to approximate the impact of the change in population. We then inflated these population adjusted figures so that the total Medicare expenditures in 2000 would match the total obtained from the 1991 Trustees' Report.

HI taxes and SMI premiums paid in the year 2000 were also obtained from the 1991 Trustees' Report. Per capita HI taxes and SMI premiums by state for 1990 were calculated using the under 65 and over 65 population. These per capita figures were then multiplied by state-level projections for the under 65 and over 65 population for 2000 to approximate the impact of the change in population. We then inflated these population adjusted figures so that the total HI tax and SMI premiums for 2000 would match the total obtained from the 1991 Trustees' Report.

We then subtracted HI taxes and SMI premiums from total Medicare expenditures to obtain the general revenue portion of the Medicare expenditures for 2000. The general revenue contribution was split between individual and corporate sources based on federal income taxes paid by individuals and businesses.

Health Insurance

Total expenditures for private insurance for 2000 were obtained from the Office of National Cost Estimates (NCE). This was split between employer-sponsored and individual policies. Employer-sponsored insurance payments per capita by state were calculated using the under 65 population. These figures were then multiplied by projections of the under 65 population in 2000 to approximate the impact of the change in population. We then inflated

these population adjusted figures so that the total for 2000 would match the employer-sponsored total obtained from NCE.

Employer-sponsored insurance payments were then split between employer paid and employee paid based on data from a 1990 survey of employer-sponsored health benefit plans by HIAA and the March 1990 CPS. However, we assumed the percent paid by the employer would decrease slightly from 1990 to 2000, and adjusted the state-by-state percentages accordingly. This assumption is based on a general trend in the percent of employer-sponsored insurance that is paid by the employer, which can be seen in data from the SBA and HIAA from 1986 to 1990, as well as the increasing numbers of employers requiring employees to pay a portion of health insurance premiums. The employer paid portion was then split between private employers, the federal government, and state and local governments using data from Health Care Financing Review, Winter 1990.

In order to more accurately reflect the effect of demographic changes on individual policy benefits and premiums paid, individual policies were then split between medigap and non-medigap. Medigap figures for 1990 and 2000 were estimated based on estimates of the population over age 65 and the average annual medigap premium. These medigap figures were subtracted from the individual policy payments to obtain total expenditures on non-medigap individual policies for 1990 and 2000. Per capita non-medigap individual policy payments by state for 1990 were calculated using the under 65 population and then multiplied by projections of the under 65 population in 2000 to approximate the impact of the change in population. We then inflated these figures so that the total for 2000 would match the total non-medigap individual policy payments obtained above.

Other Private

Total other private expenditures for 2000 were obtained from the Office of National Cost Estimates. Per capita other private expenditures by state were calculated using the under 65 population. These figures were multiplied by projections of the under 65 population for 2000 to approximate the impact of the change in population. We then inflated each of

these figures so that total other private expenditures for 2000 would match the total obtained from NCE.

Out-of-Pocket Expenditures

Total out-of-pocket expenditures for 2000 were obtained from the Office of National Cost Estimates. Per capita out-of-pocket expenditures by state were calculated using the total population. These figures were multiplied by projections of the total population for 2000 to approximate the impact of the change in population. We then inflated each of these figures so that total out-of-pocket expenditures for 2000 would match the total obtained from NCE.

Other Public Programs

Total federal government expenditures and total state and local government expenditures for 2000 were obtained from the Office of National Cost Estimates. To obtain other public expenditures by the federal government, Medicare and federal Medicaid expenditures were subtracted from total federal government expenditures. To obtain other public expenditures by state and local governments, state Medicaid expenditures were subtracted from total state and local expenditures.

Per capita other public expenditures by state were calculated for 1990 using the total population. These figures were multiplied by projections of the total population for 2000 to approximate the impact of the change in population. We then inflated each of these figures so that total other public expenditures for 2000 would match the total obtained from NCE.

The federal, state and local government portions of employer-sponsored insurance for public employees, as described above, were also included to the other public expenditures.

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